

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 2, 2026

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF NEW RICHMOND, WISCONSIN (St. Croix County)

\$7,790,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: June 8, 2026, 10:00 A.M., C.T.

CONSIDERATION: June 8, 2026, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$7,790,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of New Richmond, Wisconsin (the "City"), for public purposes, including paying the cost of water system and sewer system improvements, downtown street lighting projects, the acquisition of a fire truck and refunding certain outstanding obligations of the City as more fully described herein. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: June 29, 2026

MATURITY:

As follows:

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
12/01/2027	\$165,000	12/01/2034	\$365,000	12/01/2041	\$470,000
12/01/2028	295,000	12/01/2035	375,000	12/01/2042	455,000
12/01/2029	305,000	12/01/2036	390,000	12/01/2043	475,000
12/01/2030	320,000	12/01/2037	405,000	12/01/2044	495,000
12/01/2031	330,000	12/01/2038	415,000	12/01/2045	515,000
12/01/2032	345,000	12/01/2039	440,000	06/01/2046	415,000
12/01/2033	355,000	12/01/2040	460,000		

***MATURITY**

ADJUSTMENTS:

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

June 1, 2027 and semiannually thereafter.

OPTIONAL

REDEMPTION:

Notes maturing on December 1, 2035 and thereafter are subject to call for prior optional redemption on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID:

\$7,692,625.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$155,800 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

Bond Trust Services Corporation.

BOND COUNSEL &

DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

BOOK-ENTRY-ONLY:

See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.



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REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Underwriter (Syndicate Manager). Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Notes to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the Underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Notes, the Underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Notes; (3) a certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Notes, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Notes in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF NEW RICHMOND COMMON COUNCIL

		<u>Term Expires</u>
Peter Vrieze	Mayor	April 2028
Shawn Demulling	Aldersperson	April 2029
Greg Gartner	Aldersperson	April 2028
Scott Grady	Aldersperson	April 2029
Mike Montello	Aldersperson	April 2027
Randall Stanke	Aldersperson	April 2029
Thomas Weinmeyer	Aldersperson	April 2027

ADMINISTRATION

Noah Wiedenfeld, City Administrator/Utility Manager
Rae Ann Ailts, Assistant City Administrator/Finance Director
Michelle Scanlan, City Clerk

PROFESSIONAL SERVICES

Eckberg Lammers, P.C., City Attorney, Hudson, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Minneapolis, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of New Richmond, Wisconsin (the "City") and the issuance of its \$7,790,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). Any descriptions or summaries of the Notes, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Common Council on June 8, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE NOTES

GENERAL

The Notes will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of June 29, 2026. The Notes will mature on December 1 in the years and amounts set forth on the cover of this Preliminary Official Statement except the final maturity is on June 1, 2046. Interest will be payable on June 1 and December 1 of each year, commencing June 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Notes of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Notes will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Notes shall be payable as provided in the Authorizing Resolution.

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after December 1, 2035 shall be subject to optional redemption prior to maturity on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of water system and sewer system improvements, downtown street lighting projects, the acquisition of a fire truck and current refunding the City's State Trust Fund Loan, dated December 19, 2025 (the "2025 STFL") and the City's State Trust Fund Loan, dated February 27, 2026 (the "2026 STFL").

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rate	Principal to be Refunded
2025 STFL	12/19/25	7/30/26	Par	2027	5.00%	<u>\$1,300,000</u>
Total 2025 STFL Being Refunded						<u>\$1,300,000</u>
Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rate	Principal to be Refunded
2026 STFL	2/27/26	7/30/26	Par	2027	5.00%	<u>\$300,000</u>
Total 2026 STFL Being Refunded						<u>\$300,000</u>

A portion of the Note proceeds will be used to prepay the maturities described.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Notes	<u>\$7,790,000</u>	
Total Sources		\$7,790,000

Uses

Estimated Underwriter's Discount	\$97,375	
Costs of Issuance	121,550	
Deposit to Borrowed Money Fund	5,923,366	
Deposit to Current Refunding Fund	1,646,000	
Rounding Amount	<u>1,709</u>	
Total Uses		\$7,790,000

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City is currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Notes any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Notes, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery of the Notes, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

BTSC and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2024 have been audited by Baker Tilly US, LLP, Eau Claire, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Preliminary Official Statement.

RISK FACTORS

The following is a description of possible risks to holders of the Notes without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Wisconsin (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Notes for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Notes. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Notes.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Notes. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Notes will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

2025 Equalized Value	\$1,634,593,900
2025 Equalized Value Reduced by Tax Increment Valuation	\$1,593,154,400
2025 Assessed Value	\$1,609,780,800

2025 EQUALIZED VALUE BY CLASSIFICATION

	2025 Equalized Value¹	Percent of Total Equalized Value
Residential	\$1,215,084,400	74.336%
Commercial	360,259,200	22.040%
Manufacturing	56,500,000	3.457%
Agricultural	676,100	0.041%
Undeveloped	386,400	0.024%
Ag Forest	239,400	0.015%
Forest	119,700	0.007%
Other	<u>1,328,700</u>	<u>0.081%</u>
 Total	 <u><u>\$1,634,593,900</u></u>	 <u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ¹	Percent Increase/Decrease in Equalized Value
2021	\$1,048,643,200	\$1,038,564,100	6.16%
2022	1,199,711,500	1,258,290,300	21.16%
2023	1,393,966,600	1,409,442,700	12.01%
2024	1,482,818,700	1,530,852,600	8.61%
2025	1,609,780,800	1,634,593,900	6.78%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹ Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value ¹	Percent of City's Total Equalized Value
T Buck Properties	Rental Properties	\$30,502,270	1.87%
Walmart ²	Retail	14,462,616	0.88%
Phillips Medisize	Manufacturing	13,782,447	0.84%
Tyler Carlisle Properties	Rental Properties	11,025,671	0.67%
Mill City Flats	Rental Properties	10,141,993	0.62%
Federal Foam Technologies Inc.	Manufacturing	9,214,546	0.56%
Premier Foster Place LLC	Rental Properties	8,818,369	0.54%
Bass Lake Inc.	Rental Properties	7,561,524	0.46%
New Richmond Properties	Rental Properties	6,957,952	0.43%
Johnson Ford	Retail	<u>6,640,417</u>	<u>0.41%</u>
Total		\$119,107,805	7.29%
City's Total 2025 Equalized Value ³		\$1,634,593,900	

Source: The City.

DEBT

DIRECT DEBT⁴

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)* \$27,732,435

*Preliminary, subject to change.

Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues \$155,000

Total revenue debt secured by water and sewer revenues \$3,827,830

¹ Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City.

² Assessment under appeal by taxpayer.

³ Includes tax increment valuation.

⁴ Outstanding debt is as of the dated date of the Notes and excludes the obligations to be refunded by the Notes.

Community Development Authority ("CDA") Lease Revenue Debt (see schedule following)

Total CDA lease revenue debt secured by annual appropriations by the City \$10,000,000

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt.

FUTURE FINANCING

The City has plans to issue approximately \$1,800,000 in general obligation debt for capital projects identified in its capital plan in mid-2027 and an additional \$475,000 general obligation promissory note with the WPPI in approximately August 2026. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$1,634,593,900
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit ¹	\$81,729,695
Less: General Obligation Debt*	<u>(27,732,435)</u>
Unused Debt Limit*	<u><u>\$53,997,260</u></u>

*Preliminary, subject to change.

¹ The City adopted a Debt Management Policy (the "Policy"), which contains various debt structuring practices to be followed by the City, among other provisions, a stated goal for the City to maintain a ratio of not more than 40% of the statutory debt limit.

City of New Richmond, Wisconsin
 Schedule of Bonded Indebtedness
 General Obligation Debt Secured by Taxes
 (As of 06/29/2026)

	Taxable Land Remediation Promissory Notes Series 2008		Corporate Purpose Bonds Series 2016A		WPPI Energy Loan		Corporate Purpose Bonds Series 2017A		Promissory Note Series 2020A	
Dated	02/27/2008		08/04/2016		12/28/2016		07/11/2017		06/29/2020	
Amount	\$803,462		\$4,565,000		\$280,592		\$6,600,000		\$2,695,000	
Maturity	05/01		10/01		Monthly		10/01		06/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	0	250,000	16,790	14,030	0	355,000	28,875	0	0
2027	42,405	0	260,000	28,580			310,000	47,100	274,000	19,581
2028			265,000	23,380			235,000	37,800	279,000	15,224
2029			270,000	18,080			250,000	30,750	283,000	10,509
2030			280,000	12,545			250,000	23,250	288,000	5,443
2031			290,000	6,525			260,000	15,750		
2032							265,000	7,950		
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	42,405	0	1,615,000	105,900	14,030	0	1,925,000	191,475	1,124,000	50,757

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City of New Richmond, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/29/2026)

	Taxable Promissory Note Series 2021A		Corporate Purpose Bonds Series 2021B		Corporate Purpose Bonds Series 2022A		Promissory Note Series 2022B		Promissory Note Series 2023A	
Dated	07/08/2021		08/30/2021		10/17/2022		10/17/2022		05/01/2023	
Amount	\$918,000		\$3,375,000		\$1,195,000		\$483,000		\$4,525,000	
Maturity	03/01		03/01		10/01		10/01		05/01	
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	0	0	0	24,370	80,000	18,450	100,000	7,308	0	0
2027	92,000	7,048	280,000	44,540	65,000	34,020	103,000	3,708	171,000	162,040
2028	93,000	5,677	295,000	35,915	80,000	31,680			178,000	155,200
2029	95,000	4,291	305,000	26,915	85,000	28,800			185,000	148,080
2030	96,000	2,876	315,000	19,190	80,000	25,740			192,000	140,680
2031	97,000	1,445	170,000	15,020	80,000	22,860			200,000	133,000
2032			175,000	12,950	85,000	19,980			208,000	125,000
2033			175,000	10,675	85,000	16,920			2,917,000	116,680
2034			175,000	8,225	90,000	13,860				
2035			175,000	5,250	95,000	10,620				
2036			175,000	1,750	100,000	7,200				
2037					100,000	3,600				
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	473,000	21,337	2,240,000	204,800	1,025,000	233,730	203,000	11,016	4,051,000	980,680

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City of New Richmond, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 06/29/2026)

Dated	Promissory Notes Series 2024A		Promissory Notes Series 2026A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
	Amount	Maturity	Amount	Maturity						
	09/05/2024		06/29/2026							
	\$7,565,000		\$7,790,000*							
	09/01		12/01							
			Final Maturity 06/01							
Calendar Year Ending	Principal	Interest	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	250,000	164,275	0	0	1,049,030	260,068	1,309,098	26,683,405	3.78%	2026
2027	250,000	316,050	165,000	432,170	2,012,405	1,094,836	3,107,241	24,671,000	11.04%	2027
2028	475,000	303,550	295,000	298,507	2,195,000	906,933	3,101,933	22,476,000	18.95%	2028
2029	485,000	279,800	305,000	289,067	2,263,000	836,292	3,099,292	20,213,000	27.11%	2029
2030	320,000	255,550	320,000	279,155	2,141,000	764,428	2,905,428	18,072,000	34.83%	2030
2031	355,000	239,550	330,000	268,595	1,782,000	702,745	2,484,745	16,290,000	41.26%	2031
2032	360,000	221,800	345,000	257,540	1,438,000	645,220	2,083,220	14,852,000	46.45%	2032
2033	380,000	203,800	355,000	245,637	3,912,000	593,712	4,505,712	10,940,000	60.55%	2033
2034	400,000	184,800	365,000	233,212	1,030,000	440,097	1,470,097	9,910,000	64.27%	2034
2035	320,000	164,800	375,000	220,072	965,000	400,742	1,365,742	8,945,000	67.75%	2035
2036	340,000	148,800	390,000	206,197	1,005,000	363,947	1,368,947	7,940,000	71.37%	2036
2037	360,000	131,800	405,000	191,377	865,000	326,777	1,191,777	7,075,000	74.49%	2037
2038	370,000	117,400	415,000	175,582	785,000	292,982	1,077,982	6,290,000	77.32%	2038
2039	390,000	102,600	440,000	158,982	830,000	261,582	1,091,582	5,460,000	80.31%	2039
2040	400,000	87,000	460,000	140,942	860,000	227,942	1,087,942	4,600,000	83.41%	2040
2041	420,000	71,000	470,000	121,852	890,000	192,852	1,082,852	3,710,000	86.62%	2041
2042	430,000	54,200	455,000	102,112	885,000	156,312	1,041,312	2,825,000	89.81%	2042
2043	455,000	37,000	475,000	82,775	930,000	119,775	1,049,775	1,895,000	93.17%	2043
2044	470,000	18,800	495,000	62,350	965,000	81,150	1,046,150	930,000	96.65%	2044
2045			515,000	40,817	515,000	40,817	555,817	415,000	98.50%	2045
2046			415,000	9,130	415,000	9,130	424,130	0	100.00%	2046
	7,230,000	3,102,575	7,790,000	3,816,068	27,732,435	8,718,338	36,450,772			

* Preliminary, subject to change.

City of New Richmond, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Electric Revenues
(As of 06/29/2026)

Electric Utility Revenue Refunding Bonds Series 2015B								
Dated Amount	08/26/2015							
	\$1,765,000							
Maturity	10/01							
Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	155,000	1,938	155,000	1,938	156,938	0	100.00%	2026
	155,000	1,938	155,000	1,938	156,938			

City of New Richmond, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water and Sewer Revenues
(As of 06/29/2026)

	Water and Sewer Utility Revenue Bonds Series 2016		Water and Sewer Utility Revenue Bonds Series 2016B		Water and Sewer Utility Revenue Bonds Series 2020							
Dated Amount	05/25/2016 \$327,700		08/04/2016 \$3,260,000		10/28/2020 \$3,476,230							
Maturity	05/01		05/01		05/01							
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	1,469	0	11,713	0	21,324	0	34,506	34,506	3,827,830	.00%	2026
2027	16,529	2,803	265,000	20,775	165,631	41,281	447,160	64,859	512,019	3,380,670	11.68%	2027
2028	16,801	2,528	100,000	17,125	168,364	38,526	285,165	58,178	343,344	3,095,504	19.13%	2028
2029	17,079	2,248	100,000	15,125	171,142	35,725	288,221	53,098	341,319	2,807,284	26.66%	2029
2030	17,360	1,964	100,000	13,063	173,966	32,878	291,326	47,904	339,231	2,515,958	34.27%	2030
2031	17,647	1,675	100,000	10,875	176,836	29,984	294,483	42,534	337,017	2,221,474	41.97%	2031
2032	17,938	1,382	100,000	8,625	179,754	27,042	297,692	37,048	334,741	1,923,782	49.74%	2032
2033	18,234	1,083	100,000	6,250	182,720	24,051	300,954	31,385	332,339	1,622,828	57.60%	2033
2034	18,535	780	100,000	3,750	185,735	21,012	304,270	25,541	329,811	1,318,558	65.55%	2034
2035	18,841	471	100,000	1,250	188,800	17,922	307,640	19,643	327,283	1,010,918	73.59%	2035
2036	19,152	158			191,915	14,781	211,066	14,939	226,005	799,852	79.10%	2036
2037					195,081	11,588	195,081	11,588	206,670	604,770	84.20%	2037
2038					198,300	8,343	198,300	8,343	206,643	406,470	89.38%	2038
2039					201,572	5,044	201,572	5,044	206,616	204,898	94.65%	2039
2040					204,898	1,690	204,898	1,690	206,589	0	100.00%	2040
	178,115	16,561	1,065,000	108,550	2,584,715	331,190	3,827,830	456,301	4,284,130			

New Richmond Community Development Authority, Wisconsin
Schedule of Bonded Indebtedness
Lease Revenue Debt
(As of 06/29/2026)

Lease Revenue Bonds
Series 2025A

Dated	03/20/2025
Amount	\$10,000,000
Maturity	09/01

Calendar Year Ending	Principal	Interest	Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Calendar Year Ending
2026	0	232,581	0	232,581	232,581	10,000,000	.00%	2026
2027	165,000	465,163	165,000	465,163	630,163	9,835,000	1.65%	2027
2028	175,000	456,913	175,000	456,913	631,913	9,660,000	3.40%	2028
2029	185,000	448,163	185,000	448,163	633,163	9,475,000	5.25%	2029
2030	190,000	438,913	190,000	438,913	628,913	9,285,000	7.15%	2030
2031	200,000	429,413	200,000	429,413	629,413	9,085,000	9.15%	2031
2032	210,000	419,413	210,000	419,413	629,413	8,875,000	11.25%	2032
2033	220,000	408,913	220,000	408,913	628,913	8,655,000	13.45%	2033
2034	235,000	397,913	235,000	397,913	632,913	8,420,000	15.80%	2034
2035	245,000	386,163	245,000	386,163	631,163	8,175,000	18.25%	2035
2036	255,000	373,913	255,000	373,913	628,913	7,920,000	20.80%	2036
2037	270,000	361,163	270,000	361,163	631,163	7,650,000	23.50%	2037
2038	285,000	347,663	285,000	347,663	632,663	7,365,000	26.35%	2038
2039	300,000	333,413	300,000	333,413	633,413	7,065,000	29.35%	2039
2040	310,000	318,413	310,000	318,413	628,413	6,755,000	32.45%	2040
2041	330,000	302,913	330,000	302,913	632,913	6,425,000	35.75%	2041
2042	340,000	289,713	340,000	289,713	629,713	6,085,000	39.15%	2042
2043	355,000	276,113	355,000	276,113	631,113	5,730,000	42.70%	2043
2044	370,000	258,363	370,000	258,363	628,363	5,360,000	46.40%	2044
2045	390,000	242,638	390,000	242,638	632,638	4,970,000	50.30%	2045
2046	405,000	226,063	405,000	226,063	631,063	4,565,000	54.35%	2046
2047	425,000	208,344	425,000	208,344	633,344	4,140,000	58.60%	2047
2048	440,000	189,750	440,000	189,750	629,750	3,700,000	63.00%	2048
2049	460,000	169,950	460,000	169,950	629,950	3,240,000	67.60%	2049
2050	480,000	149,250	480,000	149,250	629,250	2,760,000	72.40%	2050
2051	505,000	127,650	505,000	127,650	632,650	2,255,000	77.45%	2051
2052	525,000	104,294	525,000	104,294	629,294	1,730,000	82.70%	2052
2053	550,000	80,013	550,000	80,013	630,013	1,180,000	88.20%	2053
2054	575,000	54,575	575,000	54,575	629,575	605,000	93.95%	2054
2055	605,000	27,981	605,000	27,981	632,981	0	100.00%	2055
	10,000,000	8,525,713	10,000,000	8,525,713	18,525,713			

OVERLAPPING DEBT¹

Taxing District	2025 Equalized Value²	% In City	Total G.O. Debt³	City's Proportionate Share
St. Croix County	\$18,681,252,600	8.7499%	\$107,490,000	\$9,405,268
New Richmond School District	3,298,086,212	49.5619%	110,540,000	54,785,724
Northwood Technical College	66,959,697,256	2.4412%	43,210,000	<u>1,054,843</u>
City's Share of Total Overlapping Debt				<u><u>\$65,245,834</u></u>

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,634,593,900	Debt/ Per Capita 11,359⁴
Total General Obligation Debt*	\$27,732,435	1.70%	\$2,441.45
City's Share of Total Overlapping Debt	<u>65,245,834</u>	<u>3.99%</u>	<u>5,743.98</u>
Total*	\$92,978,269	5.69%	\$8,185.43

*Preliminary, subject to change.

¹ Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

² Includes tax increment valuation.

³ Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

⁴ Estimated 2025 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2021/22	\$5,796,760	100%	\$6.04
2022/23	6,612,605	100%	5.59
2023/24	6,849,244	100%	5.11
2024/25	7,351,482	100%	4.90
2025/26	8,006,333	In Process of Collection	5.03

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current State law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Year Levied/ Year Collected	Schools¹	County	Local	Total
2021/22	\$8.47	\$3.02	\$6.04	\$17.53
2022/23	8.33	3.00	5.59	16.92
2023/24	8.31	2.71	5.11	16.13
2024/25	8.65	2.58	4.90	16.13
2025/26	8.64	2.48	5.03	16.15

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

¹ The Schools tax rate reflects the composite rate of all local school districts and technical college district.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the City received approximately \$813,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately \$797,000 received in 2024. The City is expected to receive approximately \$784,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1885 and is governed by a Mayor and a six-member Common Council. The Mayor serves a two-year term and votes on all matters. As of April 11, 2022 all council members are elected to three-year terms. The appointed City Administrator/Utility Manager, Assistant City Administrator/Finance Director and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 74 full-time, 40 part-time, and five seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2022, the fiscal year ended December 31, 2023 and the fiscal year ended December 31, 2024 ("Fiscal Year 2024"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$451,591, \$519,019 and \$588,202, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 billion. As of December 31, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 billion. Accordingly, the City will continue to report a liability for its proportionate share of the net pension liability in its audited financial statements for the year ended December 31, 2025.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2024, the City reported a liability of \$571,115 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.03841221% of the aggregate WRS net pension liability as of December 31, 2023.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.¹

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Wisconsin Professional Police Association	December 31, 2027

OTHER POST EMPLOYMENT BENEFITS

The City participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

¹ On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

For Fiscal Year 2024, the City's portion of contributions to the LRLIF totaled \$1,987. For Fiscal Year 2024, the City reported a liability of \$343,968 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2023 based on the City's share of contributions to the LRLIF relative to the contributions of all participating employers. The City's proportion was 0.07476500% of the aggregate LRLIF net OPEB liability/asset as of December 31, 2023.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Notes or otherwise questioning the validity of the Notes.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or State law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

FUNDS ON HAND (as of March 31, 2026)

Fund	Total Cash and Investments
General	\$9,877,721
Special Revenue	4,755,670
Debt Service	1,231,548
Capital Projects	1,665,106
Enterprise Funds	<u>17,370,442</u>
 Total Funds on Hand	 <u><u>\$34,900,487</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2023 Audited	2024 Audited	2025 DRAFT Audited
Water			
Total Operating Revenues	\$2,396,908	\$2,328,122	\$2,434,104
Less: Operating Expenses	<u>(1,629,270)</u>	<u>(1,681,639)</u>	<u>(2,081,700)</u>
Operating Income	\$767,638	\$646,483	\$352,404
Plus: Depreciation	458,781	486,534	779,232
Interest Income	<u>165,165</u>	<u>210,773</u>	<u>206,156</u>
Revenues Available for Debt Service	<u><u>\$1,391,584</u></u>	<u><u>\$1,343,790</u></u>	<u><u>\$1,337,792</u></u>
Sewer			
Total Operating Revenues	\$2,303,495	\$2,387,754	\$2,690,418
Less: Operating Expenses	<u>(2,590,366)</u>	<u>(2,670,937)</u>	<u>(2,893,175)</u>
Operating Income	(\$286,871)	(\$283,183)	(\$202,757)
Plus: Depreciation	781,175	795,842	820,266
Interest Income	<u>364,939</u>	<u>431,967</u>	<u>423,657</u>
Revenues Available for Debt Service	<u><u>\$859,243</u></u>	<u><u>\$944,626</u></u>	<u><u>\$1,041,166</u></u>
Electric			
Total Operating Revenues	\$11,655,211	\$11,287,600	\$12,587,569
Less: Operating Expenses	<u>(11,517,504)</u>	<u>(11,013,325)</u>	<u>(12,036,324)</u>
Operating Income	\$137,707	\$274,275	\$551,245
Plus: Depreciation	825,792	860,508	891,061
Interest Income	<u>192,170</u>	<u>238,403</u>	<u>152,559</u>
Revenues Available for Debt Service	<u><u>\$1,155,669</u></u>	<u><u>\$1,373,186</u></u>	<u><u>\$1,594,865</u></u>

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete statements are available upon request. Appendix B includes the 2024 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2025
	2021 Audited	2022 Audited	2023 Audited	2024 Audited	DRAFT Audited
Revenues					
Taxes	\$4,175,909	\$4,457,516	\$5,155,567	\$5,538,745	\$6,065,163
Intergovernmental	1,694,410	1,732,380	1,908,493	2,233,918	2,285,811
Licenses and permits	427,785	455,972	302,211	461,176	852,855
Fines, forfeitures and penalties	166,691	171,525	139,090	148,323	150,872
Public charges for services	254,336	284,768	392,669	494,755	548,003
Special assessments	4,710	3,218	3,218	744	0
Investment income	11,730	62,362	371,723	476,801	475,163
Miscellaneous	234,380	219,482	364,270	251,836	343,474
Total Revenues	<u>\$6,969,951</u>	<u>\$7,387,223</u>	<u>\$8,637,241</u>	<u>\$9,606,298</u>	<u>\$10,721,341</u>
Expenditures					
Current:					
General government	\$1,410,780	\$1,498,987	\$1,546,455	\$1,550,872	\$1,526,973
Public safety	2,629,759	2,908,070	3,167,114	3,519,631	3,801,128
Public works	1,426,382	1,597,485	1,767,018	1,818,868	2,046,982
Health and human services	6,105	8,347	5,157	2,444	2,212
Leisure activities	1,270,581	1,380,855	1,536,393	1,578,489	1,672,328
Conservation and development	135,952	189,534	226,051	245,251	254,512
Capital Outlay	0	3,624	239,817	63,602	63,711
Total Expenditures	<u>\$6,879,559</u>	<u>\$7,586,902</u>	<u>\$8,488,005</u>	<u>\$8,779,157</u>	<u>\$9,367,846</u>
Excess of revenues over (under) expenditures	\$90,392	(\$199,679)	\$149,236	\$827,141	\$1,353,495
Other Financing Sources (Uses)					
Transfers in	\$465,567	\$475,578	\$935,700	1,170,072	\$0
Transfers (out)	(1,078,435)	(294,447)	(821,399)	(291,342)	572,288
Property sales	429,000	56,897	5,875	90,858	(844,529)
Total Other Financing Sources (Uses)	<u>(183,868)</u>	<u>238,028</u>	<u>120,176</u>	<u>969,588</u>	<u>(272,241)</u>
Net changes in Fund Balances	(\$93,476)	\$38,349	\$269,412	\$1,796,729	\$1,081,254
General Fund Balance January 1	<u>\$3,667,937</u>	<u>\$3,574,461</u>	<u>\$3,612,810</u>	<u>\$3,882,222</u>	<u>\$5,678,951</u>
General Fund Balance December 31	\$3,574,461	\$3,612,810	\$3,882,222	\$5,678,951	\$6,760,205
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$365,354	\$598,085	\$299,896	\$117,156	
Assigned	590,469	578,497	788,895	896,665	
Unassigned	2,618,638	2,436,228	2,793,431	4,665,130	
Total	<u>\$3,574,461</u>	<u>\$3,612,810</u>	<u>\$3,882,222</u>	<u>\$5,678,951</u>	

GENERAL FUND BUDGET SUMMARY

FISCAL YEAR ENDING DECEMBER 31

COMBINED STATEMENT

	2026 Adopted Budget¹
Revenues	
Taxes	\$6,605,988
Intergovernmental	2,050,785
Licenses and permits	240,900
Fines, forfeitures and penalties	140,000
Public charges for services	443,927
Special assessments	0
Investment income	150,000
Miscellaneous	37,500
Total Revenues	<u>\$9,669,100</u>
Expenditures	
General government	\$1,564,184
Public safety	4,082,913
Public works	1,731,000
Health and human services	4,000
Leisure activities	2,493,904
Conservation and development	286,824
Capital outlay	0
Total Expenditures	<u>\$10,162,825</u>
Excess of revenues over (under) expenditures	(\$493,725)
Other Financing Sources (Uses)	
Transfers in	\$510,725
Transfers (out)	(17,000)
Total Other Financing Sources (Uses)	<u>493,725</u>
Net changes in Fund Balances	\$0

¹ The 2026 budget was adopted on November 10, 2025.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 10,079 and a 2025 estimated population of 11,359 and comprises an area of 9.35 square miles, and is located approximately 40 miles east of St. Paul, Minnesota.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
Northwood Technical College	Regional technical college	1,018
St. Croix County	County government and services	779
Federal Foam Technologies, Inc.	Manufacture polyurethane foam	500
New Richmond School District	Elementary and secondary education	470
Westfields Hospital	Hospital	430
Walmart	Retail	400
Phillips-Medisize	Manufacture plastic products	350
Lakeside Foods, Inc.	Food canning	250
Syntegon Packaging Technology LLC	Manufacture packaging equipment	200
The Deerfield	Retirement community	198

Source: Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.

¹ This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above.

BUILDING PERMITS

	2022	2023	2024	2025	2026 ¹
<u>New Single Family Homes</u>					
No. of building permits	136	85	65	89	42
Valuation	\$26,799,639	\$20,671,915	\$15,877,354	\$22,255,105	\$10,160,000
<u>New Multiple Family Buildings</u>					
No. of building permits	6	3	0	78	0
Valuation	\$12,809,652	\$2,349,965	\$0	\$14,773,500	\$0
<u>New Commercial/Industrial</u>					
No. of building permits	3	15	3	3	0
Valuation	\$23,697,155	\$29,358,247	\$6,442,637	\$7,819,544	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	413	363	333	359	162
Valuation	\$53,486,256	\$59,929,676	\$32,329,266	\$55,070,571	\$13,318,877

Source: The City.

¹ As of April 30, 2026.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	8,375
2020 U.S. Census Population	10,079
Percent of Change 2010 - 2020	20.35%
2025 Estimated Population	11,359

Income and Age Statistics

	The City	St. Croix County	State of Wisconsin	United States
2024 per capita income	\$41,153	\$50,302	\$43,373	\$44,673
2024 median household income	\$88,157	\$103,046	\$77,485	\$80,734
2024 median family income	\$103,886	\$122,374	\$100,141	\$99,999
2024 median gross rent	\$1,168	\$1,271	\$1,087	\$1,413
2024 median value owner occupied units	\$285,100	\$377,700	\$266,500	\$332,700
2024 median age	38.0 yrs.	40.4 yrs.	40.2 yrs.	38.9 yrs.
		State of Wisconsin	United States	
City % of 2024 per capita income		94.88%	92.12%	
City % of 2024 median family income		103.74%	103.89%	

Housing Statistics

	<u>The City</u>		
	2020	2024	Percent of Change
All Housing Units	4,280	4,513	5.44%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center and 2024 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	St. Croix County	St. Croix County	State of Wisconsin	State of Wisconsin
2022	51,427	2.9%	2.8%	
2023	52,328	3.1%	2.8%	
2024	52,588	3.4%	3.0%	
2025 ¹	52,371	3.7%	3.2%	
2026, April ¹	52,238	3.8%	3.4%	

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Notes, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

City of New Richmond

Financial Statements and
Supplementary Information

December 31, 2024

City of New Richmond

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City of New Richmond

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Independent Auditors' Report

To the City Council of
City of New Richmond

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Richmond, Wisconsin (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Eau Claire, Wisconsin
July 10, 2025

City of New Richmond

Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	CDA
Assets and Deferred Outflows of Resources				
Assets				
Cash and investments	\$ 9,975,491	\$ 14,695,703	\$ 24,671,194	\$ 138,927
Receivables (net):				
Taxes	7,853,125	-	7,853,125	-
Accounts	246,136	1,787,375	2,033,511	-
Special assessments	2,836	-	2,836	-
Notes	898,038	-	898,038	-
Leases	-	564,160	564,160	-
Other	-	52,902	52,902	-
Due from other governmental units	106,091	-	106,091	-
Internal balances	378,694	(378,694)	-	-
Inventories and prepaid items	6,431	646,288	652,719	-
Restricted assets:				
Cash and investments	4,663,649	4,607,924	9,271,573	-
Capital assets:				
Construction in progress	1,211,654	4,167,516	5,379,170	-
Land	7,224,537	220,146	7,444,683	-
Other capital assets, net of depreciation	<u>47,448,972</u>	<u>35,052,784</u>	<u>82,501,756</u>	-
Total assets	<u>80,015,654</u>	<u>61,416,104</u>	<u>141,431,758</u>	<u>138,927</u>
Deferred Outflows of Resources				
Pension related amounts	3,787,299	1,348,873	5,136,172	-
OPEB related amounts	<u>90,532</u>	<u>44,931</u>	<u>135,463</u>	-
Total deferred outflows of resources	<u>3,877,831</u>	<u>1,393,804</u>	<u>5,271,635</u>	-

See notes to financial statements

City of New Richmond

Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	CDA
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	\$ 504,841	\$ 945,645	\$ 1,450,486	\$ -
Accrued liabilities and deposits	651,289	360,700	1,011,989	-
Due to other governments	139	-	139	-
Unearned revenues	25,827	-	25,827	-
Noncurrent liabilities:				
Due within one year	1,923,778	1,459,740	3,383,518	-
Due in more than one year	13,564,368	13,650,877	27,215,245	-
Net pension liability	417,906	153,209	571,115	-
Total liabilities	<u>17,088,148</u>	<u>16,570,171</u>	<u>33,658,319</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	7,869,406	-	7,869,406	-
Pension related amounts	2,230,884	824,684	3,055,568	-
OPEB related amounts	141,814	71,861	213,675	-
Lease related amounts	-	564,160	564,160	-
Total deferred inflows of resources	<u>10,242,104</u>	<u>1,460,705</u>	<u>11,702,809</u>	<u>-</u>
Net Position				
Net investment in capital assets	44,712,933	27,093,333	71,806,266	-
Restricted for:				
Debt service	268,838	871,881	1,140,719	-
Library projects	944,860	-	944,860	-
Park land projects	215,551	-	215,551	-
Future facility improvements	2,345,396	587,292	2,932,688	-
TIF district projects	198,233	-	198,233	-
CDBG revolving housing loan program	229,491	-	229,491	-
Cemetery perpetual care	38,221	-	38,221	-
Affordable housing projects	1,421,357	-	1,421,357	-
Capital replacement	-	754,775	754,775	-
Unrestricted	6,188,353	15,471,751	21,660,104	138,927
Total net position	<u>\$ 56,563,233</u>	<u>\$ 44,779,032</u>	<u>\$ 101,342,265</u>	<u>\$ 138,927</u>

See notes to financial statements

City of New Richmond

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		CDA	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental activities:								
General government	\$ 1,633,166	\$ 664,203	\$ 8,524	\$ -	\$ (960,439)	\$ -	\$ (960,439)	\$ -
Public safety	4,354,058	313,257	137,114	-	(3,903,687)	-	(3,903,687)	-
Public works	3,723,989	1,285,761	860,146	3,953,993	2,375,911	-	2,375,911	-
Health and human services	26,210	16,725	-	-	(9,485)	-	(9,485)	-
Leisure activities	2,023,842	115,040	1,010,733	28,508	(869,561)	-	(869,561)	-
Conservation and development	1,364,855	807,866	-	10,000	(546,989)	-	(546,989)	-
Interest and fiscal charges	353,862	-	-	-	(353,862)	-	(353,862)	-
Total governmental activities	<u>13,479,982</u>	<u>3,202,852</u>	<u>2,016,517</u>	<u>3,992,501</u>	<u>(4,268,112)</u>	<u>-</u>	<u>(4,268,112)</u>	<u>-</u>
Business-type activities:								
Electric utility	11,245,006	11,287,600	-	298,740	-	341,334	341,334	-
Water utility	1,782,118	2,328,122	-	1,905,838	-	2,451,842	2,451,842	-
Sewer utility	2,766,463	2,387,754	-	1,322,709	-	944,000	944,000	-
Total business-type activities	<u>15,793,587</u>	<u>16,003,476</u>	<u>-</u>	<u>3,527,287</u>	<u>-</u>	<u>3,737,176</u>	<u>3,737,176</u>	<u>-</u>
Total primary government	<u>\$ 29,273,569</u>	<u>\$ 19,206,328</u>	<u>\$ 2,016,517</u>	<u>\$ 7,519,788</u>	<u>(4,268,112)</u>	<u>3,737,176</u>	<u>(530,936)</u>	<u>-</u>
Component Unit								
CDA	<u>\$ 807,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(807,866)</u>
General Revenues								
Taxes:								
Property taxes, levied for general purposes					5,280,713	-	5,280,713	-
Property taxes, levied for debt service					1,418,532	-	1,418,532	-
Property taxes, levied for TIF districts					1,100,959	-	1,100,959	-
Property taxes, levied for capital assets					150,000	-	150,000	-
Other taxes					258,032	-	258,032	-
Intergovernmental revenues not restricted to specific programs					945,510	-	945,510	-
Investment income					716,304	881,143	1,597,447	-
Gain on disposal of capital assets					36,603	-	36,603	-
Contributions from City					-	-	-	150,000
Miscellaneous					1,240,466	-	1,240,466	-
Total general revenues					<u>11,147,119</u>	<u>881,143</u>	<u>12,028,262</u>	<u>150,000</u>
Transfers					467,474	(467,474)	-	-
Total general revenues and transfers					<u>11,614,593</u>	<u>413,669</u>	<u>12,028,262</u>	<u>150,000</u>
Change in net position					7,346,481	4,150,845	11,497,326	(657,866)
Net Position, Beginning					<u>49,216,752</u>	<u>40,628,187</u>	<u>89,844,939</u>	<u>796,793</u>
Net Position, Ending					<u>\$ 56,563,233</u>	<u>\$ 44,779,032</u>	<u>\$101,342,265</u>	<u>\$ 138,927</u>

See notes to financial statements

City of New Richmond

Balance Sheet -
Governmental Funds
December 31, 2024

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>
Assets			
Cash and investments	\$ 5,668,835	\$ 406,493	\$ 29,990
Restricted cash and investments	-	-	1,569,699
Receivables (net):			
Taxes	5,796,472	1,408,841	-
Delinquent personal property taxes	19,469	-	-
Accounts	211,947	-	-
Notes	29,910	653,000	-
Special assessments	2,836	-	-
Due from other governmental units	84,150	-	21,941
Due from other funds	397,079	-	-
Prepaid items	4,359	-	-
Advances to other funds	181,947	-	-
	<u>\$ 12,397,004</u>	<u>\$ 2,468,334</u>	<u>\$ 1,621,630</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 305,478	\$ -	\$ 117,647
Accrued liabilities	431,627	-	-
Due to other governments	139	-	-
Due to other funds	30,271	-	-
Advances from other funds	-	-	-
Unearned revenues	-	-	-
Customer deposits	47,550	-	-
	<u>815,065</u>	<u>-</u>	<u>117,647</u>
Deferred Inflows of Resources			
Unearned revenues	5,795,683	1,408,841	-
Unavailable revenues	107,305	653,000	20,964
	<u>5,902,988</u>	<u>2,061,841</u>	<u>20,964</u>
Fund Balances			
Nonspendable	117,156	-	-
Restricted	-	406,493	1,569,699
Committed	-	-	-
Assigned	896,665	-	-
Unassigned (deficit)	4,665,130	-	(86,680)
	<u>5,678,951</u>	<u>406,493</u>	<u>1,483,019</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,397,004</u>	<u>\$ 2,468,334</u>	<u>\$ 1,621,630</u>

See notes to financial statements

Nonmajor Governmental Funds	Total
\$ 3,870,173	\$ 9,975,491
3,093,950	4,663,649
628,343	7,833,656
-	19,469
34,189	246,136
215,128	898,038
-	2,836
-	106,091
126,919	523,998
2,072	6,431
-	181,947
<u>\$ 7,970,774</u>	<u>\$ 24,457,742</u>

\$ 81,716	\$ 504,841
20,132	451,759
-	139
115,033	145,304
181,947	181,947
25,827	25,827
14,325	61,875
<u>438,980</u>	<u>1,371,692</u>

664,882	7,869,406
218,397	999,666
<u>883,279</u>	<u>8,869,072</u>

38,221	155,377
5,873,535	7,849,727
924,565	924,565
17,193	913,858
(204,999)	4,373,451
<u>6,648,515</u>	<u>14,216,978</u>

<u>\$ 7,970,774</u>	<u>\$ 24,457,742</u>
---------------------	----------------------

See notes to financial statements

City of New Richmond

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Total Fund Balances, Governmental Funds \$ 14,216,978

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 3. 55,885,163

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 999,666

Deferred outflows of resources related to net pension liability - WRS do not relate to current financial resources and are not reported in the governmental funds. 3,787,299

Deferred inflows of resources related to net pension liability - WRS do not relate to current financial resources and are not reported in the governmental funds. (2,230,884)

Deferred outflows of resources related to net OPEB liability do not relate to current financial resources and are not reported in the governmental funds. 90,532

Deferred inflows of resources related to net OPEB liability do not relate to current financial resources and are not reported in the governmental funds. (141,814)

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these items are deferred and amortized in the Statement of Activities. (695,702)

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation debt (13,686,581)

Accrued interest on general obligation debt (137,655)

Compensated absences (679,752)

Landfill long-term costs (108,828)

Landfill remediation costs (100,945)

Net OPEB liability, LRLIF (216,338)

Net pension liability, WRS (417,906)

Net Position of Governmental Activities \$ 56,563,233

City of New Richmond

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended December 31, 2024

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>
Revenues			
Taxes	\$ 5,538,745	\$ 1,418,532	\$ -
Intergovernmental	2,233,918	-	342,573
Licenses and permits	461,176	-	-
Fines, forfeitures and penalties	148,323	-	-
Public charges for services	494,755	-	-
Intergovernmental charges for services	-	-	-
Special assessments	744	-	-
Investment income	476,801	20,058	37,583
Miscellaneous	251,836	88,000	-
	<u>9,606,298</u>	<u>1,526,590</u>	<u>380,156</u>
Total revenues			
Expenditures			
Current:			
General government	1,550,872	-	-
Public safety	3,519,631	-	-
Public works	1,818,868	-	-
Health and human services	2,444	-	-
Leisure activities	1,578,489	-	-
Conservation and development	245,251	-	-
Capital outlay	63,602	-	621,172
Debt service:			
Principal	-	1,504,770	-
Interest and fiscal charges	-	266,339	53,135
	<u>8,779,157</u>	<u>1,771,109</u>	<u>674,307</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>827,141</u>	<u>(244,519)</u>	<u>(294,151)</u>
Other Financing Sources (Uses)			
Debt issued	-	-	2,226,647
Premium on debt issued	-	-	168,916
Property sales	90,858	-	-
Transfers in	1,170,072	526,247	-
Transfers out	(291,342)	-	(321,133)
	<u>969,588</u>	<u>526,247</u>	<u>2,074,430</u>
Total other financing sources (uses)			
Net change in fund balances	1,796,729	281,728	1,780,279
Fund Balances (Deficit), Beginning	<u>3,882,222</u>	<u>124,765</u>	<u>(297,260)</u>
Fund Balances, Ending	<u>\$ 5,678,951</u>	<u>\$ 406,493</u>	<u>\$ 1,483,019</u>

See notes to financial statements

Nonmajor Governmental Funds		Total	
\$	1,250,959	\$	8,208,236
	69,962		2,646,453
	-		461,176
	-		148,323
	815,840		1,310,595
	207,198		207,198
	-		744
	181,862		716,304
	<u>2,133,424</u>		<u>2,473,260</u>
	<u>4,659,245</u>		<u>16,172,289</u>
	-		1,550,872
	514,243		4,033,874
	610,896		2,429,764
	23,766		26,210
	37,797		1,616,286
	1,009,251		1,254,502
	1,373,125		2,057,899
	-		1,504,770
	<u>47,979</u>		<u>367,453</u>
	<u>3,617,057</u>		<u>14,841,630</u>
	<u>1,042,188</u>		<u>1,330,659</u>
	2,033,353		4,260,000
	147,179		316,095
	-		90,858
	1,054,833		2,751,152
	<u>(1,627,952)</u>		<u>(2,240,427)</u>
	<u>1,607,413</u>		<u>5,177,678</u>
	2,649,601		6,508,337
	<u>3,998,914</u>		<u>7,708,641</u>
\$	<u><u>6,648,515</u></u>	\$	<u><u>14,216,978</u></u>

See notes to financial statements

City of New Richmond

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Funds	\$ 6,508,337
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.	
Capital outlay is capitalized in the government-wide statements	2,057,899
Some capital outlay is not capitalized in the government-wide statements	(88,648)
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements	533,373
Some items reported as capital outlay or operating expenditures were transferred to the business-type activities	(43,251)
Contributed capital assets are reported as revenues in the government-wide financial statements	3,933,029
Depreciation is reported in the government-wide statements	(2,219,812)
Net book value of capital assets disposed of reported in the government-wide statements, less trade-ins	(54,255)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Special assessments	(7,969)
Due from other governments	(294,164)
Loan receivable	(83,037)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Debt issued	(4,260,000)
Principal repaid	1,504,770
Governmental funds report debt premiums as other financing sources. However, in the statement of net position, these are reported as additions to long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.	
Debt premium	(316,095)
Amortization	61,809
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Change in compensated absences liability	(32,285)
Change in accrued interest payable	(48,218)
Change in landfill long-term liability	19,592
Change in landfill remediation liability	28,805
Change in net OPEB liability, LRLIF and related deferred outflows/inflows of resources	(4,800)
Change in net pension asset/liability, WRS and related deferred outflows/inflows of resources	151,401
Change in Net Position of Governmental Activities	<u>\$ 7,346,481</u>

See notes to financial statements

City of New Richmond

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Assets				
Current assets:				
Cash and investments	\$ 3,891,799	\$ 6,971,616	\$ 3,832,288	\$ 14,695,703
Restricted cash, redemption account	280,542	134,771	648,685	1,063,998
Receivables:				
Accounts	1,220,250	313,926	253,199	1,787,375
Leases	-	56,076	-	56,076
Other	26,860	24,542	1,500	52,902
Due from other funds	-	-	130,053	130,053
Inventories and prepaid items	607,073	15,264	23,951	646,288
Total current assets	<u>6,026,524</u>	<u>7,516,195</u>	<u>4,889,676</u>	<u>18,432,395</u>
Noncurrent assets:				
Restricted assets:				
Reserve account	202,759	172,178	101,743	476,680
Replacement account	-	-	754,775	754,775
Impact fees	-	518,380	68,912	587,292
Construction account	1,725,179	-	-	1,725,179
Capital assets:				
Land	48,414	2,426	169,306	220,146
Construction in progress	3,582,093	396,537	188,886	4,167,516
Plant in service	20,073,622	24,021,920	26,954,809	71,050,351
Less accumulated depreciation	(14,518,034)	(7,857,508)	(13,622,025)	(35,997,567)
Other assets:				
Leases receivable	-	508,084	-	508,084
Total noncurrent assets	<u>11,114,033</u>	<u>17,762,017</u>	<u>14,616,406</u>	<u>43,492,456</u>
Total assets	<u>17,140,557</u>	<u>25,278,212</u>	<u>19,506,082</u>	<u>61,924,851</u>
Deferred Outflows of Resources				
Pension related amounts	674,225	408,379	266,269	1,348,873
OPEB related amounts	22,496	14,004	8,431	44,931
Total deferred outflows of resources	<u>696,721</u>	<u>422,383</u>	<u>274,700</u>	<u>1,393,804</u>

See notes to financial statements

City of New Richmond

Statement of Net Position -
Proprietary Funds
December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Liabilities				
Current liabilities:				
Accounts payable	\$ 851,223	\$ 59,814	\$ 34,608	\$ 945,645
Accrued expenses	53,380	16,688	15,570	85,638
Deposits	71,284	11,661	-	82,945
Due to other funds	224,748	283,999	-	508,747
Current portion of compensated absences	148,773	62,943	53,730	265,446
Current portion of general obligation debt	238,000	247,000	108,000	593,000
Liabilities payable from restricted assets:				
Current portion of revenue bonds	180,000	195,996	225,298	601,294
Accrued interest	135,198	32,315	24,604	192,117
Total current liabilities	1,902,606	910,416	461,810	3,274,832
Noncurrent liabilities:				
Long-term debt:				
General obligation debt payable	5,255,000	2,367,000	1,029,000	8,651,000
Revenue bonds payable	155,000	1,014,376	3,252,657	4,422,033
Unamortized debt premium	70,381	118,911	45,086	234,378
Other liabilities:				
Compensated absences	120,969	51,179	43,688	215,836
Other postemployment benefits liability	66,078	38,696	22,856	127,630
Net pension liability	79,089	44,629	29,491	153,209
Total noncurrent liabilities	5,746,517	3,634,791	4,422,778	13,804,086
Total liabilities	7,649,123	4,545,207	4,884,588	17,078,918
Deferred Inflows of Resources				
Pension related amounts	402,565	260,326	161,793	824,684
OPEB related amounts	39,495	19,646	12,720	71,861
Lease related amounts	-	564,160	-	564,160
Total deferred inflows of resources	442,060	844,132	174,513	1,460,705
Net Position				
Net investment in capital assets	5,189,214	12,792,272	9,111,847	27,093,333
Restricted for:				
Redemption	145,344	102,456	624,081	871,881
Future facility improvements	-	518,380	68,912	587,292
Equipment replacement	-	-	754,775	754,775
Unrestricted	4,411,537	6,898,148	4,162,066	15,471,751
Total net position	\$ 9,746,095	\$ 20,311,256	\$ 14,721,681	\$ 44,779,032

See notes to financial statements

City of New Richmond

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Operating Revenues	<u>\$ 11,287,600</u>	<u>\$ 2,328,122</u>	<u>\$ 2,387,754</u>	<u>\$ 16,003,476</u>
Operating Expenses				
Operation and maintenance	10,036,171	1,151,698	1,828,918	13,016,787
Depreciation and amortization	860,508	486,534	795,842	2,142,884
Taxes	116,646	43,407	46,177	206,230
Total operating expenses	<u>11,013,325</u>	<u>1,681,639</u>	<u>2,670,937</u>	<u>15,365,901</u>
Operating income (loss)	<u>274,275</u>	<u>646,483</u>	<u>(283,183)</u>	<u>637,575</u>
Nonoperating Revenues (Expenses)				
Investment income	238,403	210,773	431,967	881,143
Interest and fiscal charges	(229,532)	(105,582)	(97,370)	(432,484)
Amortization	-	5,103	1,844	6,947
Nonutility expense	(2,149)	-	-	(2,149)
Total nonoperating revenues (expenses)	<u>6,722</u>	<u>110,294</u>	<u>336,441</u>	<u>453,457</u>
Income before contributions and transfers	<u>280,997</u>	<u>756,777</u>	<u>53,258</u>	<u>1,091,032</u>
Contributions and Transfers				
Capital contributions	341,991	1,905,838	1,322,709	3,570,538
Transfers out	(266,481)	(244,244)	-	(510,725)
Total contributions and transfers	<u>75,510</u>	<u>1,661,594</u>	<u>1,322,709</u>	<u>3,059,813</u>
Change in net position	356,507	2,418,371	1,375,967	4,150,845
Net Position, Beginning	<u>9,389,588</u>	<u>17,892,885</u>	<u>13,345,714</u>	<u>40,628,187</u>
Net Position, Ending	<u>\$ 9,746,095</u>	<u>\$ 20,311,256</u>	<u>\$ 14,721,681</u>	<u>\$ 44,779,032</u>

See notes to financial statements

City of New Richmond

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Cash Flows From Operating Activities				
Received from customers	\$ 11,013,435	\$ 2,363,386	\$ 2,350,089	\$ 15,726,910
Received from municipality for services	233,244	-	-	233,244
Paid to suppliers for goods and services	(9,067,489)	(619,435)	(1,402,072)	(11,088,996)
Paid to employees for services	(939,491)	(574,776)	(509,082)	(2,023,349)
Net cash flows from operating activities	<u>1,239,699</u>	<u>1,169,175</u>	<u>438,935</u>	<u>2,847,809</u>
Cash Flows From Investing Activities				
Investment income	<u>238,403</u>	<u>210,773</u>	<u>431,967</u>	<u>881,143</u>
Net cash flows from investing activities	<u>238,403</u>	<u>210,773</u>	<u>431,967</u>	<u>881,143</u>
Cash Flows From Noncapital Financing Activities				
Paid to municipality for tax equivalent	(285,838)	(234,544)	-	(520,382)
Advances repaid	<u>50,218</u>	<u>-</u>	<u>-</u>	<u>50,218</u>
Net cash flows from noncapital financing activities	<u>(235,620)</u>	<u>(234,544)</u>	<u>-</u>	<u>(470,164)</u>
Cash Flows From Capital and Related Financing Activities				
Debt issued	1,120,000	1,605,000	580,000	3,305,000
Debt retired	(327,000)	(331,736)	(275,696)	(934,432)
Interest and fiscal charges paid	(218,093)	(83,122)	(86,729)	(387,944)
Premium on debt issued	70,381	100,813	36,307	207,501
Capital contributions received	172,038	154,418	112,307	438,763
Acquisition and construction of capital assets	<u>(2,673,742)</u>	<u>(628,089)</u>	<u>(292,480)</u>	<u>(3,594,311)</u>
Net cash flows from capital and related financing activities	<u>(1,856,416)</u>	<u>817,284</u>	<u>73,709</u>	<u>(965,423)</u>
Net change in cash and cash equivalents	(613,934)	1,962,688	944,611	2,293,365
Cash and Cash Equivalents, Beginning	<u>6,714,213</u>	<u>5,834,257</u>	<u>4,461,792</u>	<u>17,010,262</u>
Cash and Cash Equivalents, Ending	<u>\$ 6,100,279</u>	<u>\$ 7,796,945</u>	<u>\$ 5,406,403</u>	<u>\$ 19,303,627</u>

See notes to financial statements

City of New Richmond

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities				
Operating income (loss)	\$ 274,275	\$ 646,483	\$ (283,183)	\$ 637,575
Nonoperating revenue (expense)	(2,149)	-	-	(2,149)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	860,508	486,534	795,842	2,142,884
Depreciation charged to other funds	-	47,594	(47,594)	-
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Accounts receivable	(59,579)	(13,809)	17,105	(56,283)
Other receivables	(11,878)	(6,016)	(947)	(18,841)
Due from other funds	-	-	(6,230)	(6,230)
Inventories and prepaid items	144,697	(3,345)	(22,567)	118,785
Accounts payable	(4,500)	18,283	(7,429)	6,354
Other current liabilities	13,971	3,168	4,161	21,300
Compensated absences	8,939	(1,553)	(4,244)	3,142
Deposits	32,685	7,495	-	40,180
Postemployment benefit related deferrals and liabilities	4,683	9,113	2,034	15,830
Due to other funds	(12,271)	(1,725)	-	(13,996)
Pension related deferrals and assets/liabilities	(9,682)	(23,047)	(8,013)	(40,742)
Net cash flows from operating activities	<u>\$ 1,239,699</u>	<u>\$ 1,169,175</u>	<u>\$ 438,935</u>	<u>\$ 2,847,809</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds				
Cash and investments	\$ 3,891,799	\$ 6,971,616	\$ 3,832,288	\$ 14,695,703
Restricted cash and investments	<u>2,208,480</u>	<u>825,329</u>	<u>1,574,115</u>	<u>4,607,924</u>
Cash and cash equivalents	<u>\$ 6,100,279</u>	<u>\$ 7,796,945</u>	<u>\$ 5,406,403</u>	<u>\$ 19,303,627</u>
Noncash Capital and Related Financing Activities				
City contributed property	<u>\$ 43,251</u>	<u>\$ -</u>	<u>\$ -</u>	
Developer contributed property	<u>\$ 131,719</u>	<u>\$ 1,751,420</u>	<u>\$ 1,210,402</u>	
Capital assets acquired through accounts payable	<u>\$ 96,640</u>	<u>\$ 25,113</u>	<u>\$ 2,390</u>	

See notes to financial statements

City of New Richmond

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2024

	Custodial Fund
	<u>Tax Collection</u>
Assets	
Cash and investments	\$ 41,055
Receivables:	
Taxes	16,858,568
Other	<u>164,430</u>
Total assets	<u>17,064,053</u>
Liabilities	
Due to other governments	<u>17,064,053</u>
Total liabilities	<u>17,064,053</u>
Net Position	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

City of New Richmond

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2024

	Custodial Fund
	<u>Tax Collection</u>
Additions	
Property taxes collected for other governments	\$ 10,091,983
Total additions	<u>10,091,983</u>
Deductions	
Property taxes distributed to other governments	<u>10,091,983</u>
Total deductions	<u>10,091,983</u>
Change in fiduciary net position	-
Net Position, Beginning	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>

See notes to financial statements

City of New Richmond

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December 31, 2024

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City of New Richmond

Notes to Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

The accounting policies of the City of New Richmond, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met:

(1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2024. The CDA does not issue separate financial statements.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund

General Debt Service is used to account for and report financial resources restricted, committed or assigned for the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund

Capital Projects is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The City reports the following major enterprise funds:

Enterprise Funds

Electric Utility accounts for operations of the electric system

Water Utility accounts for operations of the water system

Sewer Utility accounts for operations of the sewer system

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- Park Land Trust Fund
- Library Trust Fund
- Storm Water Utility
- CDBG Revolving Housing
- Impact Fees
- Cemetery
- Recycling, Compost and Yard Waste
- Fire Services
- ARPA Funds
- Affordable Housing

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- Landfill Assurance
- Tax Increment Financing (TIF) District #6
- Tax Increment Financing (TIF) District #7
- Tax Increment Financing (TIF) District #9
- Tax Increment Financing (TIF) District #10
- Tax Increment Financing (TIF) District #11
- Tax Increment Financing (TIF) District #12
- Capital Replacement Fund

In addition, the City reports the following fund type:

Custodial Funds

Custodial Funds are used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

- Tax Collection

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's electric, water and sewer utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held by the County are reported as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric, water and sewer utility funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company.

City of New Richmond

Notes to Financial Statements
December 31, 2024

- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy contains the following guidelines:

Credit Risk - The investment policy follows state statutes for allowable investments.

Custodial Credit Risk - The policy states investments shall be collateralized with a written agreement or insured with a surety bond for amounts above and beyond coverage provided by the Wisconsin State Guarantee Fund Insurance and FDIC.

The City's investment policy does not address interest rate risk or concentration of credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2024, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
Payment in full, or	January 31, 2025
First installment due	January 31, 2025
Second installment due	July 31, 2025
Tax sale - 2024 delinquent real estate taxes	October 2027

Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the electric, water and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$128,676.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction and/or operation and maintenance expense when used.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets, \$5,000 for infrastructure and \$50,000 for intangible assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	30-100 Years
Machinery and equipment	2-30 Years
Infrastructure	20-50 Years
Intangibles	20 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Upon retirement of an employee, the sick leave balance is converted into a Health Reimbursement Account until the balance is exhausted. Upon death of an employee, the sick leave balance is paid to a beneficiary.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Vacation and sick leave pay is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, landfill obligations, other postemployment benefits and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

City of New Richmond

Notes to Financial Statements
December 31, 2024

- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Basis for Existing Rates

Electric Utility

Electric rates were approved by the PSCW on August 26, 2022, amended September 22, 2022, and placed into effect by the utility on September 23, 2022. The rates are designed to provide a 6.25% return on rate base.

Water Utility

On January 27, 2021, the PSCW approved water rates that became effective February 24, 2021. The rates are designed to provide a 4.90% return on rate base.

Sewer Utility

The City Council approved sewer rates on November 13, 2023 which were effective January 23, 2024.

City of New Richmond

Notes to Financial Statements
December 31, 2024

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2024, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Fire Services	\$ 22,066	Expenditures in excess of revenues
Landfill Assurance	986	Expenditures in excess of revenues
TIF District #11	156,013	Project costs in excess of increment
TIF District #12	25,934	Project costs in excess of increment

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. The fire services and landfill assurance fund deficits are anticipated to be funded with future contributions and transfers from other funds.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

City of New Richmond

Notes to Financial Statements
December 31, 2024

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
Demand and time deposits	\$ 13,986,406	\$ 14,535,594	Custodial credit
U.S. agency bonds, explicit guarantee	143,624	143,624	Custodial credit and interest rate
U.S. agency bonds, implicit guarantee	4,007,362	4,006,665	Credit, custodial credit, concentration of credit and interest rate
LGIP	15,843,387	15,843,387	Credit
Petty cash	<u>3,043</u>	<u>-</u>	N/A
Total deposits and investments	<u>\$ 33,983,822</u>	<u>\$ 34,529,270</u>	

Reconciliation to financial statements

Per statement of net position:

Unrestricted cash and investments \$ 24,671,194

Restricted cash and investments 9,271,573

Per statement of net position, fiduciary fund:

Custodial fund 41,055

Total deposits and investments \$ 33,983,822

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The City maintains a collateral agreement and a letter of credit with its banks. At December 31, 2024, the banks had pledged \$516,906 of various government securities to secure the City's deposits. The City also has a letter of credit for \$15 million for any excess deposits at Bremer Bank.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

City of New Richmond

Notes to Financial Statements
December 31, 2024

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices

Investment Type	December 31, 2024			Total
	Level 1	Level 2	Level 3	
U.S. agency bonds, implicit guarantee	\$ 1,373,627	\$ 2,633,735	\$ -	\$ 4,007,362
U.S. agency bonds, explicit guarantee	-	143,624	-	143,624
Total	<u>\$ 1,373,627</u>	<u>\$ 2,777,359</u>	<u>\$ -</u>	<u>\$ 4,150,986</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, \$4,463,548 of the City's investments were exposed to custodial credit risk due to investment account balances in excess of SIPC coverage.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2024, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
U.S. agency bonds, implicit guarantee	AA+	AAA

The City also held investments in the following external pools which are not rated:

Wisconsin Local Government Investment Pool (LGIP)

The City also has investments in certain implicitly guaranteed U.S. agency bonds, which have unknown credit ratings.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

City of New Richmond

Notes to Financial Statements
December 31, 2024

At December 31, 2024, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal National Mortgage Association	U.S. agency bonds, implicit guarantee	6.75 %

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2024, the City's investments were as follows:

Investment Type	Fair Value	Maturity (in Years)		
		Less Than 1	1 - 3	3 +
U.S. agency bonds, explicit guarantee	\$ 143,624	\$ -	\$ -	\$ 143,624
U.S. agency bonds, implicit guarantee	4,007,362	573,823	750,130	2,683,409
Total	<u>\$ 4,150,986</u>	<u>\$ 573,823</u>	<u>\$ 750,130</u>	<u>\$ 2,827,033</u>

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for \$564,000 in the debt service fund and \$215,128 in the nonmajor funds.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 7,832,867	\$ 789
Due from other governments	-	100,839
Loans receivable	-	898,038
Grants received in advance	25,827	-
Other revenue received in advance	36,539	-
Total unearned/unavailable revenue for governmental funds	<u>\$ 7,895,233</u>	<u>\$ 999,666</u>
Unearned revenue included in liabilities	\$ 25,827	
Unearned revenue included in deferred inflows	<u>7,869,406</u>	
Total unearned revenue for governmental funds	<u>\$ 7,895,233</u>	

City of New Richmond

Notes to Financial Statements
December 31, 2024

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Impact Fee Account

The City has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Following is a list of restricted assets at December 31, 2024:

	Restricted Assets
Bond redemption account	\$ 1,063,998
Bond reserve account	476,680
Equipment replacement account	754,775
Impact fee account, utility	587,292
Impact fee account, other	2,356,906
Construction account, utility	1,725,179
Construction account, other	<u>2,306,743</u>
Total	<u>\$ 9,271,573</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Construction in progress	\$ 492,872	\$ 726,003	\$ 7,221	\$ 1,211,654
Land	<u>7,231,375</u>	<u>-</u>	<u>6,838</u>	<u>7,224,537</u>
Total capital assets not being depreciated	<u>7,724,247</u>	<u>726,003</u>	<u>14,059</u>	<u>8,436,191</u>
Capital assets being depreciated:				
Buildings	11,353,581	81,576	-	11,435,157
Machinery and equipment	8,560,077	407,565	204,147	8,763,495
Land improvements	10,730,973	16,800	-	10,747,773
Roads	30,166,234	3,133,353	136,550	33,163,037
Storm sewers	12,464,859	1,496,284	22,893	13,938,250
Sidewalks	<u>1,080,308</u>	<u>538,042</u>	<u>-</u>	<u>1,618,350</u>
Total capital assets being depreciated	<u>74,356,032</u>	<u>5,673,620</u>	<u>363,590</u>	<u>79,666,062</u>
Total capital assets	<u>82,080,279</u>	<u>6,399,623</u>	<u>377,649</u>	<u>88,102,253</u>
Less accumulated depreciation for:				
Buildings	(4,716,883)	(266,515)	-	(4,983,398)
Machinery and equipment	(3,861,501)	(571,147)	204,147	(4,228,501)
Land improvements	(4,452,125)	(362,316)	-	(4,814,441)
Roads	(12,688,188)	(761,126)	92,582	(13,356,732)
Storm sewers	(4,318,000)	(225,257)	19,444	(4,523,813)
Sidewalks	<u>(276,754)</u>	<u>(33,451)</u>	<u>-</u>	<u>(310,205)</u>
Total accumulated depreciation	<u>(30,313,451)</u>	<u>(2,219,812)</u>	<u>316,173</u>	<u>(32,217,090)</u>
Net capital assets being depreciated	<u>44,042,581</u>	<u>3,453,808</u>	<u>47,417</u>	<u>47,448,972</u>
Total governmental activities capital assets	<u>\$ 51,766,828</u>	<u>\$ 4,179,811</u>	<u>\$ 61,476</u>	<u>\$ 55,885,163</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 54,097
Public safety	390,610
Public works, which includes the depreciation of infrastructure	1,410,349
Leisure activities	<u>364,756</u>
Total governmental activities depreciation expense	<u>\$ 2,219,812</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Electric				
Capital assets not being depreciated / amortized:				
Construction in progress	\$ 1,187,993	\$ 2,406,051	\$ 11,951	\$ 3,582,093
Land and land rights	<u>48,414</u>	<u>-</u>	<u>-</u>	<u>48,414</u>
Total capital assets not being depreciated / amortized	<u>1,236,407</u>	<u>2,406,051</u>	<u>11,951</u>	<u>3,630,507</u>
Capital assets being depreciated / amortized:				
Intangibles	10,206	-	-	10,206
Transmission	113,355	-	-	113,355
Distribution	17,417,492	503,686	12,080	17,909,098
Administrative and general assets	<u>2,019,349</u>	<u>47,859</u>	<u>26,245</u>	<u>2,040,963</u>
Total capital assets being depreciated / amortized	<u>19,560,402</u>	<u>551,545</u>	<u>38,325</u>	<u>20,073,622</u>
Total capital assets	<u>20,796,809</u>	<u>2,957,596</u>	<u>50,276</u>	<u>23,704,129</u>
Less accumulated depreciation / amortization for:				
Electric plant	<u>(13,695,558)</u>	<u>(860,801)</u>	<u>38,325</u>	<u>(14,518,034)</u>
Total accumulated depreciation / amortization	<u>(13,695,558)</u>	<u>(860,801)</u>	<u>38,325</u>	<u>(14,518,034)</u>
Net capital assets being depreciated / amortized	<u>5,864,844</u>	<u>(309,256)</u>	<u>-</u>	<u>5,555,588</u>
Net electric capital assets	<u>\$ 7,101,251</u>	<u>\$ 2,096,795</u>	<u>\$ 11,951</u>	<u>\$ 9,186,095</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated / amortized:				
Construction in progress	\$ 88,624	\$ 309,390	\$ 1,477	\$ 396,537
Land and land rights	2,426	-	-	2,426
Total capital assets not being depreciated / amortized	<u>91,050</u>	<u>309,390</u>	<u>1,477</u>	<u>398,963</u>
Capital assets being depreciated / amortized:				
Intangibles	9,072	-	-	9,072
Source of supply	595,420	-	-	595,420
Pumping	1,380,830	-	-	1,380,830
Treatment	14,298	-	-	14,298
Transmission and distribution	19,294,635	2,043,094	36,776	21,300,953
Administrative and general assets	667,732	53,615	-	721,347
Total capital assets being depreciated / amortized	<u>21,961,987</u>	<u>2,096,709</u>	<u>36,776</u>	<u>24,021,920</u>
Total capital assets	<u>22,053,037</u>	<u>2,406,099</u>	<u>38,253</u>	<u>24,420,883</u>
Less accumulated for:				
Water plant	<u>(7,360,156)</u>	<u>(534,128)</u>	<u>36,776</u>	<u>(7,857,508)</u>
Total accumulated	<u>(7,360,156)</u>	<u>(534,128)</u>	<u>36,776</u>	<u>(7,857,508)</u>
Net capital assets being depreciated / amortized	<u>14,601,831</u>	<u>1,562,581</u>	<u>-</u>	<u>16,164,412</u>
Net water capital assets	<u>\$ 14,692,881</u>	<u>\$ 1,871,971</u>	<u>\$ 1,477</u>	<u>\$ 16,563,375</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Sewer				
Capital assets not being depreciated / amortized:				
Construction in progress	\$ 124,874	\$ 64,316	\$ 304	\$ 188,886
Land and land rights	<u>169,306</u>	<u>-</u>	<u>-</u>	<u>169,306</u>
Total capital assets not being depreciated / amortized	<u>294,180</u>	<u>64,316</u>	<u>304</u>	<u>358,192</u>
Capital assets being depreciated / amortized:				
Intangibles	9,072	-	-	9,072
Collection system	12,185,579	1,307,126	1,914	13,490,791
Collection system pumping	2,833,320	55,074	29,984	2,858,410
Treatment and disposal	9,169,860	-	-	9,169,860
	<u>1,347,616</u>	<u>79,060</u>	<u>-</u>	<u>1,426,676</u>
Total capital assets being depreciated / amortized	<u>25,545,447</u>	<u>1,441,260</u>	<u>31,898</u>	<u>26,954,809</u>
Total capital assets	<u>25,839,627</u>	<u>1,505,576</u>	<u>32,202</u>	<u>27,313,001</u>
Less accumulated depreciation / amortization for:				
Sewer plant	<u>(12,905,674)</u>	<u>(748,249)</u>	<u>31,898</u>	<u>(13,622,025)</u>
Total accumulated depreciation / amortization	<u>(12,905,674)</u>	<u>(748,249)</u>	<u>31,898</u>	<u>(13,622,025)</u>
Net capital assets being depreciated / amortized	<u>12,639,773</u>	<u>693,011</u>	<u>-</u>	<u>13,332,784</u>
Net sewer capital assets	<u>\$ 12,933,953</u>	<u>\$ 757,327</u>	<u>\$ 304</u>	<u>\$ 13,690,976</u>
Business-type activities capital assets, net as reported in the statement of net position	<u>\$ 34,728,085</u>	<u>\$ 4,726,093</u>	<u>\$ 13,732</u>	<u>\$ 39,440,446</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Electric	\$ 860,508
Water	486,534
Sewer	<u>795,842</u>
Total business-type activities depreciation / amortization expense	<u>\$ 2,142,884</u>

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage and cost of removal.

Accumulated depreciation for the electric, water and sewer utilities is not available by asset class or function.

City of New Richmond

Notes to Financial Statements
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Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Electric utility	\$ 224,748
General Fund	Water utility	157,080
General Fund	Fire Services	15,251
Sewer utility	General Fund	30,271
Recycling, compost and yard waste	Water utility	65,012
Storm water utility	Water utility	61,907
Sewer Utility	TIF District #10	<u>99,782</u>
Total, fund financial statements		654,051
Less fund eliminations		(15,251)
Less government-wide eliminations		<u>(260,106)</u>
Total internal balances, government-wide statement of net position		<u>\$ 378,694</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental activities	Business-type activities	\$ 508,747
Business-type activities	Governmental activities	<u>(130,053)</u>
Total government-wide financial statements		<u>\$ 378,694</u>

All amounts are due within one year.

The primary purpose of the interfund balance between the general fund and the electric and water utilities is the amount due for the 2024 property tax equivalent payments. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund advanced funds to TIF District #11. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging interest on the advance at a rate of 4%. No repayment schedule has been established.

The general fund advanced funds to TIF District #12. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging interest on the advance at a rate of 4%. No repayment schedule has been established.

City of New Richmond

Notes to Financial Statements
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The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General Fund	TIF District #11	\$ 156,013	\$ 156,013
General Fund	TIF District #12	<u>25,934</u>	25,934
Total, fund financial statements		181,947	
Less fund eliminations		<u>(181,947)</u>	
Total, interfund advances, government-wide statement of net position		<u><u>\$ -</u></u>	

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Debt Service	Capital Projects	\$ 203,537	Debt Payments
General Debt Service	Capital Replacement	96,840	Debt Payments
General Debt Service	Storm Water Utility	166,452	Record stormwater share of debt service
General Debt Service	TIF District #10	59,418	Record TID #10 share of debt service
TIF District #11	TIF District #7	150,000	Tax increment sharing
General Fund	Electric Utility	266,481	Payment in lieu of taxes
General Fund	Water Utility	244,244	Payment in lieu of taxes
General Fund	ARPA	32,000	ARPA funds received
General Fund	TIF District #6	113,600	Record TID #6 share due and transfer from 2023
General Fund	Capital Projects	117,596	Capital projects
General Fund	Capital Replacement	396,151	Capital projects
Fire Services	General Fund	276,021	City share of fire expenses
Landfill Assurance	General Fund	15,321	City share of landfill costs
Affordable Housing	TIF District #6	<u>613,491</u>	Share of TID #6 closeout
Total, fund financial statements		2,751,152	
Less fund eliminations		(2,240,427)	
Less transfer of property from governmental activities to business-type activities		<u>(43,251)</u>	
Total transfers, government-wide statement of activities		<u><u>\$ 467,474</u></u>	
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	
Governmental activities	Business-type activities	\$ 510,725	
Business-type activities	Governmental activities	<u>(43,251)</u>	
Total government-wide financial statements		<u><u>\$ 467,474</u></u>	

City of New Richmond

Notes to Financial Statements
December 31, 2024

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 9,420,120	\$ 4,260,000	\$ 1,192,000	\$ 12,488,120	\$ 1,219,120
General obligation debt from direct borrowings and direct placements	1,511,231	-	312,770	1,198,461	318,591
(Discounts)/Premiums	<u>441,416</u>	<u>316,095</u>	<u>61,809</u>	<u>695,702</u>	<u>-</u>
Total bonds and notes payable	<u>11,372,767</u>	<u>4,576,095</u>	<u>1,566,579</u>	<u>14,382,283</u>	<u>1,537,711</u>
Other liabilities:					
Compensated absences	647,467	370,297	338,012	679,752	354,867
Landfill long-term costs	128,420	-	19,592	108,828	18,000
Landfill remediation costs	129,750	-	28,805	100,945	13,200
Net OPEB liability, LRLIF	<u>206,023</u>	<u>10,315</u>	<u>-</u>	<u>216,338</u>	<u>-</u>
Total other liabilities	<u>1,111,660</u>	<u>380,612</u>	<u>386,409</u>	<u>1,105,863</u>	<u>386,067</u>
Total governmental activities long-term liabilities	<u>\$ 12,484,427</u>	<u>\$ 4,956,707</u>	<u>\$ 1,952,988</u>	<u>\$ 15,488,146</u>	<u>\$ 1,923,778</u>
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 1,755,000	\$ 3,305,000	\$ 189,000	\$ 4,871,000	\$ 435,000
General obligation debt from direct borrowings and direct placements	4,525,000	-	152,000	4,373,000	158,000
Revenue debt	2,325,000	-	420,000	1,905,000	425,000
Revenue debt from direct borrowings or direct placement	3,291,759	-	173,432	3,118,327	176,294
(Discounts)/Premiums	<u>33,824</u>	<u>207,501</u>	<u>6,947</u>	<u>234,378</u>	<u>-</u>
Total bonds and notes payable	<u>11,930,583</u>	<u>3,512,501</u>	<u>941,379</u>	<u>14,501,705</u>	<u>1,194,294</u>
Other liabilities:					
Compensated absences	478,140	266,855	263,713	481,282	265,446
Net OPEB liability, LRLIF	<u>108,147</u>	<u>19,483</u>	<u>-</u>	<u>127,630</u>	<u>-</u>
Total other liabilities	<u>586,287</u>	<u>286,338</u>	<u>263,713</u>	<u>608,912</u>	<u>265,446</u>
Total business-type activities long-term liabilities	<u>\$ 12,516,870</u>	<u>\$ 3,798,839</u>	<u>\$ 1,205,092</u>	<u>\$ 15,110,617</u>	<u>\$ 1,459,740</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2024, was \$76,542,630. Total general obligation debt outstanding at year end was \$22,930,581.

City of New Richmond

Notes to Financial Statements
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General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>					Balance
<u>General Obligation Debt</u>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2024
Promissory Note*	Feb 08	May 27	0%	\$ 803,462	\$ 127,215
Refunding Bonds	Aug 15	Oct 25	2.0-2.125	3,455,000	55,000
State Trust Fund Loan*	Sep 15	Mar 25	3.25	450,000	57,548
Promissory Note*	Jan 16	Dec 25	0	55,792	5,579
Promissory Note*	Jan 16	Dec 26	0	280,592	56,119
Bonds Payable	Aug 16	Oct 31	2.0-2.25	4,565,000	1,865,000
Bonds Payable	Jul 17	Oct 32	3.0	5,740,000	1,775,000
Promissory Note	Nov 19	Nov 25	2.29	470,000	69,120
Promissory Note	Jun 20	Jun 30	0.99-1.89	1,524,000	939,000
Bonds Payable	Aug 21	Mar 36	1.2-4.0	2,990,000	2,440,000
Promissory Note*	Jul 21	Mar 31	1.49	918,000	653,000
Bonds Payable	Oct 22	Oct 37	3.6	1,195,000	1,085,000
Promissory Note*	Oct 22	Oct 27	3.6	483,000	299,000
Promissory Note	Sep 24	Sep 44	4.0-5.0	4,260,000	<u>4,260,000</u>
Total governmental activities, general obligation debt					<u>\$ 13,686,581</u>

<u>Business-Type Activities</u>					Balance
<u>General Obligation Debt</u>	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	December 31, 2024
Bonds Payable	Jul 17	Oct 32	3.0%	\$ 860,000	\$ 500,000
Promissory Note	Jun 20	Jun 30	0.99-1.89	1,171,000	721,000
Bonds Payable	Aug 21	Mar 36	1.2-4.0	385,000	345,000
Promissory Note*	May 23	May 33	4.0	4,525,000	4,373,000
Promissory Note	Sep 24	Sep 44	4.0-5.0	3,305,000	<u>3,305,000</u>
Total business-type activities, general obligation debt					<u>\$ 9,244,000</u>

* The debt noted is directly placed with a third party.

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,219,120	\$ 396,791	\$ 435,000	\$ 181,534
2026	1,143,000	365,969	338,000	167,294
2027	1,130,000	333,634	309,000	156,236
2028	1,303,000	301,080	326,000	146,469
2029	1,345,000	258,880	333,000	135,974
2030-2034	3,723,000	808,821	1,155,000	530,413
2035-2037	1,500,000	370,570	925,000	323,250
2040-2044	1,125,000	139,000	1,050,000	129,000
Total	<u>\$ 12,488,120</u>	<u>\$ 2,974,745</u>	<u>\$ 4,871,000</u>	<u>\$ 1,770,170</u>

City of New Richmond

Notes to Financial Statements
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Years	Governmental Activities General Obligation Debt from Direct Borrowings and Direct Placements		Business-Type Activities General Obligation Debt From Direct Borrowings And Direct Placements	
	Principal	Interest	Principal	Interest
2025	\$ 318,591	\$ 22,364	\$ 158,000	\$ 174,920
2026	261,465	15,712	164,000	168,600
2027	237,405	10,756	171,000	162,040
2028	93,000	5,677	178,000	155,200
2029	95,000	4,291	185,000	148,080
2030-2033	193,000	4,321	3,517,000	515,360
Total	<u>\$ 1,198,461</u>	<u>\$ 63,121</u>	<u>\$ 4,373,000</u>	<u>\$ 1,324,200</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water and sewer utilities.

The electric utility has pledged future electric revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from electric revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 15.30% of net revenues. The total principal and interest remaining to be paid on the bonds is \$347,250. Principal and interest paid for the current year and total customer net revenues were \$187,400 and \$1,134,783, respectively.

The water and sewer utility has pledged future water and sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 2016 and 2020. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from water and sewer revenues and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 19.99% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,264,285. Principal and interest paid for the current year and total customer net revenues were \$507,291 and \$1,645,676, respectively.

Revenue debt payable at December 31, 2024, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2024
Electric Utility					
Revenue Bonds	Aug 15	Oct 26	1.3-2.5%	\$ 1,765,000	\$ 335,000
				Total Electric Utility	<u>335,000</u>
Water Utility					
Safe Drinking Water Loan*	May 16	May 36	1.65	327,700	210,372
Revenue Bonds	Aug 16	May 35	2.0-2.5	2,240,000	<u>1,000,000</u>
				Total Water Utility	<u>1,210,372</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

<u>Sewer Utility</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2024</u>
Revenue Bonds	Aug 16	May 35	2.0-2.5	\$ 1,020,000	\$ 570,000
Clean Water Loan*	Oct 20	May 40	1.65	3,476,230	<u>2,907,955</u>
				Total Sewer Utility	<u>3,477,955</u>
					<u>\$ 5,023,327</u>

* The debt noted is directly placed with a third party.

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 425,000	\$ 39,450
2026	415,000	29,900
2027	265,000	20,775
2028	100,000	17,125
2029	100,000	15,125
2030-2034	500,000	42,563
2035	100,000	1,250
Total	<u>\$ 1,905,000</u>	<u>\$ 166,188</u>

<u>Years</u>	<u>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 176,294	\$ 49,998
2026	179,203	47,065
2027	182,160	44,084
2028	185,165	41,053
2029	188,221	37,973
2030-2034	988,725	141,850
2035-2039	1,013,660	58,307
2040	204,899	1,690
Total	<u>\$ 3,118,327</u>	<u>\$ 422,020</u>

Other Debt Information

Estimated payments of landfill costs and other postemployment benefits are not included in the debt service requirement schedules. The landfill costs and other postemployment benefits attributable to governmental activities will be liquidated primarily by the general fund.

City of New Richmond

Notes to Financial Statements
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The City's outstanding debt related to governmental activities of \$69,120 contain provisions that in an event of default, outstanding amounts may become immediately due and payable.

The City's outstanding debt from direct borrowings and/or direct placements related to governmental activities of \$952,000 and business-type activities of \$3,118,327 contain provisions that in an event of default, outstanding amounts may become immediately due and payable. In addition, the City's 2008 promissory note, safe drinking water loan and clean water fund loan contain provisions that in the event the City fails to make a payment when due or fails to comply with any other provisions of the financial assistance agreement, the lender may pursue remedies including, but not limited to, deducting amounts from any state payments due the municipality, increasing the interest rate to the market interest rate and/or appointing a receiver for the benefit of the lender.

The City's outstanding debt from direct borrowings and/or direct placements related to governmental activities of \$57,548 contain clauses that any delinquent payments are subject to a penalty of 1% per month and shall be deducted from any state payments that are due to the City.

Lease Disclosures

Lessor - Lease Receivables

<u>Business-Type Activities</u>				Receivable Balance December 31, 2024
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Space on water tower	2001	2045	3.6%	\$ 422,012
Space on water tower	2001	2025	3.6	2,352
Space on water tower	2014	2029	3.6	<u>139,796</u>
Total business-type activities				<u>\$ 564,160</u>

The City recognized \$113,906 of lease revenue during the fiscal year.

Regulated Leases

The City maintains certain regulated leases that, in accordance with GASB No. 87, do not recognize a lease receivable or a deferred inflow of resources. Regulated leases are subject to external laws, regulations or legal rulings. The following summarizes these regulated leases:

The City has entered into land lease agreements with 118 owners of hangars at the municipal airport. The leases have seven years remaining. The terms of these agreements include annual revenues of \$103,530 paid in one annual installment. \$106,698 of resources were recognized in the current reporting period.

City of New Richmond

Notes to Financial Statements
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Closure and Postclosure Care Cost

The State of Wisconsin Department of Natural Resources had requested that the City and other interested parties undertake certain environmental remediation of the former landfill and provide municipal water to the affected properties. Recently, at the request of the Wisconsin Department of Natural Resources the City and other interested parties completed a remedial investigation and feasibility study suggesting the completion of those remedial activities. The remediation is likely to include an upgrade of the landfill cover, installation and operation of a soil vapor extraction system below the waste, an alternative water supply and remediation at private homes. The City's estimate of remaining remediation costs is \$567,936. The City's share of this liability, 17.774% of the total estimated costs, is \$100,945 and is recorded as a liability on the statement of net position.

State and federal laws and regulations required the City to place a final cover on its landfill site when it stopped accepting waste in 1982 and to perform certain maintenance and monitoring functions at the site annually after closure. The City incurs an average annual cost of approximately \$18,000. An estimated liability of \$108,828, equal to maintenance and monitoring costs for eight years, is recorded as a liability in the government-wide statements.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2024, includes the following:

Governmental Activities

Net investment in capital assets:

Land	\$ 7,224,537
Construction in progress	1,211,654
Other capital assets, net of accumulated depreciation	47,448,972
Less long-term debt outstanding	(13,686,581)
Plus unspent capital related debt proceeds	2,306,743
Plus noncapital debt proceeds	903,310
Less unamortized debt premium	<u>(695,702)</u>
Total net investment in capital assets	<u>\$ 44,712,933</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2024, include the following:

	<u>General Fund</u>	<u>General Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable:					
Prepaid items	\$ 4,359	\$ -	\$ -	\$ -	\$ 4,359
Long-term advances to other funds	109,961	-	-	-	109,961
Delinquent special assessments held by the county	2,836	-	-	-	2,836
Cemetery perpetual care	-	-	-	38,221	38,221
Subtotal	<u>117,156</u>	<u>-</u>	<u>-</u>	<u>38,221</u>	<u>155,377</u>
Restricted for:					
Debt service	-	406,493	-	-	406,493
Capital projects	-	-	1,569,699	406,832	1,976,531
Park land projects	-	-	-	212,282	212,282
Library projects	-	-	-	944,860	944,860
Storm water utility	-	-	-	330,212	330,212
CDBG revolving housing loan program	-	-	-	14,363	14,363
Future facility improvements	-	-	-	2,345,396	2,345,396
TIF district projects	-	-	-	198,233	198,233
Affordable housing projects	-	-	-	1,421,357	1,421,357
Subtotal	<u>-</u>	<u>406,493</u>	<u>1,569,699</u>	<u>5,873,535</u>	<u>7,849,727</u>
Committed to:					
Storm water utility	-	-	-	394,195	394,195
Capital projects	-	-	-	391,729	391,729
Recycling, compost and yard waste	-	-	-	138,641	138,641
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>924,565</u>	<u>924,565</u>
Assigned to:					
Police	17,292	-	-	-	17,292
Airport projects	50,331	-	-	-	50,331
Room tax, tourism	43,759	-	-	-	43,759
Future retirements	229,077	-	-	-	229,077
Light repairs	52,789	-	-	-	52,789
Community transportation	6,000	-	-	-	6,000
Insurance recoveries	190,162	-	-	-	190,162
Surplus, transfer to #401	201,539	-	-	-	201,539
Auction proceeds, public works	7,144	-	-	-	7,144
Library	33,302	-	-	-	33,302
Fire department vehicle repair/replace	65,270	-	-	-	65,270
ARPA	-	-	-	17,193	17,193
Subtotal	<u>896,665</u>	<u>-</u>	<u>-</u>	<u>17,193</u>	<u>913,858</u>
Unassigned (Deficit)	<u>4,665,130</u>	<u>-</u>	<u>(86,680)</u>	<u>(204,999)</u>	<u>4,373,451</u>
Total fund balances	<u>\$ 5,678,951</u>	<u>\$ 406,493</u>	<u>\$ 1,483,019</u>	<u>\$ 6,648,515</u>	<u>\$ 14,216,978</u>

City of New Richmond

Notes to Financial Statements
December 31, 2024

Business-Type Activities

Net investment in capital assets:	
Land	\$ 220,146
Construction in progress	4,167,516
Other capital assets, net of accumulated depreciation	35,052,784
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(12,112,735)
Less unamortized debt premium	<u>(234,378)</u>
Total net investment in capital assets	<u>\$ 27,093,333</u>

Component Unit

Community Development Authority

This report contains the Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$138,927 and is part of the City's commingled cash. See Note 3.

c. Conduit Debt

The CDA has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the CDA. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at year end is approximately \$11.8 million, made up of four issues.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$519,019 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2024 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Executives & Elected Officials)	6.80 %	6.80 %
Protective with Social Security	6.80	13.20
Protective without Social Security	6.80	18.10

City of New Richmond

Notes to Financial Statements
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Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the City reported a liability of \$571,115 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.03841221%, which was an increase of 0.00017084% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense (revenue) of \$326,876.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 2,302,730	\$ 3,049,980
Changes in assumptions	248,932	-
Net differences between projected and actual earnings on pension plan investments	1,990,243	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,065	5,588
Employer contributions subsequent to the measurement date	<u>588,202</u>	<u>-</u>
Total	<u>\$ 5,136,172</u>	<u>\$ 3,055,568</u>

\$588,202 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2025	\$ 305,545
2026	319,819
2027	1,249,698
2028	(382,660)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

City of New Richmond

Notes to Financial Statements
December 31, 2024

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.*

City of New Richmond

Notes to Financial Statements
December 31, 2024

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's proportionate share of the net pension liability (asset)	\$ 5,520,102	\$ 571,115	\$ (2,891,901)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2024, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The City has active construction projects as of December 31, 2024. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$237 million as of December 31, 2024.

City of New Richmond

Notes to Financial Statements
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Joint Ventures

The City of New Richmond, along with the Townships of Cylon, Richmond, Star Prairie, Erin Prairie, Stanton, Warren and Alden and the Villages of Star Prairie, Deer Park and Roberts jointly operate the local ambulance service which is called the New Richmond Area Ambulance and Rescue Services and provides ambulance rescue service. Municipal appropriations are based on the equalized valuations of the municipalities. The communities' share in the annual operation of the district as follows:

<u>Municipality</u>	<u>% Exp Paid</u>
Town of Alden	3.42 %
City of New Richmond	52.51
Town of Cylon	2.29
Village of Deer Park	1.13
Town of Erin Prairie	1.74
Town of Richmond	11.87
Village of Roberts	6.98
Town of Stranton	3.57
Town of Star Prairie	12.32
Village of Star Prairie	2.29
Town of Warren	1.88
Total	<u>100.00 %</u>

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The City made payments totaling \$121,699 to the district for 2024. The City believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2024 is available directly from the district's office.

The City accounts for its share of the operation in the general fund.

Investment in Biosolids Facility

The City of New Richmond and the municipalities of Hudson, River Falls, Prescott, Baldwin, Ellsworth, Roberts, Spring Valley, Amery, Osceola and Somerset jointly contract with the West Central Wisconsin Biosolids Facility Commission (facility) for the treatment, storage, disposal, recycling and/or sale of biosolids (sludge). The communities share in the operation of the facility based on usage.

The governing body is made up of citizens from each municipality. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the facility. The City made payments of \$606,558 to the facility for 2024. The City believes that the facility will continue to provide services in the future at similar rates.

The transactions of the facility are not reflected in these financial statements.

Facility financial information as of December 31, 2024 is available from the facility office.

Other Postemployment Benefits

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2024 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

City of New Richmond

Notes to Financial Statements
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Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates* for the Plan Year

<u>Attained Age</u>	<u>Basic</u>	<u>Supplemental</u>
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$1,523 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2024, the City reported a liability of \$343,968 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.07476500%, which was a decrease of 0.00769800% from its proportion measured as of December 31, 2022.

City of New Richmond

Notes to Financial Statements
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For the year ended December 31, 2024, the City recognized OPEB expense (revenue) of \$22,781.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 30,442
Net differences between projected and actual earnings on plan investments	4,647	-
Changes in actuarial assumptions	107,596	135,447
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,233	47,786
Employer contributions subsequent to the measurement date	<u>1,987</u>	<u>-</u>
Total	<u>\$ 135,463</u>	<u>\$ 213,675</u>

\$1,987 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2025	\$ (4,715)
2026	(223)
2027	(15,802)
2028	(29,315)
2029	(29,288)
Thereafter	(856)

City of New Richmond

Notes to Financial Statements
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Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018-December 31, 2020. Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.52
Inflation			2.30
Long-Term Expected Rate of Return			4.25

City of New Richmond

Notes to Financial Statements
December 31, 2024

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	<u>1% Decrease to Discount Rate (2.32%)</u>	<u>Current Discount Rate (3.32%)</u>	<u>1% Increase to Discount Rate (4.32%)</u>
City's proportionate share of the net OPEB liability (asset)	\$ 462,169	\$ 343,968	\$ 253,742

Subsequent Event

On March 20, 2025, the CDA issued community development lease revenue bonds in the amount of \$10 million with an interest rate of 4.0-5.0%. This amount will be used for the construction of a new library building.

Related Organizations

Housing Authority

The City's officials are responsible for appointing the board members of the New Richmond Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

City of New Richmond

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
 General Fund
 Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 5,504,312	\$ 5,504,312	\$ 5,538,745	\$ 34,433
Intergovernmental	1,937,621	2,189,831	2,233,918	44,087
Licenses and permits	282,850	317,023	461,176	144,153
Fines, forfeitures and penalties	160,000	160,000	148,323	(11,677)
Public charges for services	252,947	267,947	494,755	226,808
Special assessments	3,218	3,218	744	(2,474)
Investment income	82,045	169,510	476,801	307,291
Miscellaneous	166,010	233,397	251,836	18,439
Total revenues	<u>8,389,003</u>	<u>8,845,238</u>	<u>9,606,298</u>	<u>761,060</u>
Expenditures				
Current:				
General government	1,502,530	1,550,867	1,550,872	(5)
Public safety	3,613,284	3,663,140	3,519,631	143,509
Public works	1,564,252	1,857,036	1,818,868	38,168
Health and human services	7,400	7,400	2,444	4,956
Leisure activities	1,642,329	1,732,130	1,578,489	153,641
Conservation and development	302,523	302,522	245,251	57,271
Capital outlay	-	13,000	63,602	(50,602)
Total expenditures	<u>8,632,318</u>	<u>9,126,095</u>	<u>8,779,157</u>	<u>346,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(243,315)</u>	<u>(280,857)</u>	<u>827,141</u>	<u>1,107,998</u>
Other Financing Sources (Uses)				
Transfers in	503,315	503,315	1,170,072	666,757
Transfers out	(260,000)	(291,345)	(291,342)	3
Property sales	-	-	90,858	90,858
Total other financing sources (uses)	<u>243,315</u>	<u>211,970</u>	<u>969,588</u>	<u>757,618</u>
Net change in fund balance	-	(68,887)	1,796,729	1,865,616
Fund Balance, Beginning	<u>3,882,222</u>	<u>3,882,222</u>	<u>3,882,222</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,882,222</u>	<u>\$ 3,813,335</u>	<u>\$ 5,678,951</u>	<u>\$ 1,865,616</u>

See notes to required supplementary information

City of New Richmond

Schedule of Employer's Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund

December 31, 2024

Plan Fiscal Year End Date (Measurement Date)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2023	0.07476500 %	\$ 343,968	\$ 4,512,000	7.62 %	33.90 %
12/31/2022	0.08246300 %	314,170	4,489,000	7.00 %	38.81 %
12/31/2021	0.08659100 %	511,785	4,346,000	11.78 %	29.57 %
12/31/2020	0.08368200 %	460,311	3,990,000	11.54 %	31.36 %
12/31/2019	0.07731200 %	329,210	4,073,000	8.08 %	37.58 %
12/31/2018	0.07325700 %	189,028	3,902,000	4.84 %	48.69 %
12/31/2017	0.06823800 %	205,299	3,799,704	5.40 %	44.81 %

Schedule of Employer Contributions -

Local Retiree Life Insurance Fund

December 31, 2024

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 1,987	\$ 1,987	\$ -	\$ 4,849,099	0.04 %
12/31/2023	1,519	1,519	-	4,471,417	0.03 %
12/31/2022	1,621	1,621	-	4,489,000	0.04 %
12/31/2021	1,676	1,676	-	4,346,000	0.04 %
12/31/2020	1,546	1,546	-	3,990,000	0.04 %
12/31/2019	1,411	1,411	-	4,073,000	0.03 %
12/31/2018	1,295	1,295	-	3,902,000	0.03 %

See notes to required supplementary information

City of New Richmond

Schedule of Employer's Proportionate Share of the Net Pension (Asset) Liability -
Wisconsin Retirement System (WRS)
December 31, 2024

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset/Liability	City's Proportionate Share of the Net Pension (Asset) Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset/Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2023	0.03841221 %	\$ 571,115	\$ 5,959,957	9.58 %	98.85 %
12/31/2022	0.03824137 %	2,025,914	5,522,384	36.69 %	95.72 %
12/31/2021	0.03800755 %	(3,063,478)	5,261,566	58.22 %	106.02 %
12/31/2020	0.03792115 %	(2,367,470)	5,279,330	44.84 %	105.26 %
12/31/2019	0.03678910 %	(1,186,248)	5,060,486	23.44 %	102.96 %
12/31/2018	0.03774733 %	1,342,931	4,845,143	27.72 %	96.45 %
12/31/2017	0.03639338 %	(1,080,562)	4,532,158	23.84 %	102.93 %
12/31/2016	0.03548459 %	292,478	4,408,090	6.64 %	99.12 %
12/31/2015	0.03283308 %	533,531	4,220,809	12.64 %	98.20 %
12/31/2014	0.03333772 %	(818,866)	4,111,276	19.92 %	102.74 %

Schedule of Employer Contributions -
Wisconsin Retirement System (WRS)
December 31, 2024

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2024	\$ 588,202	\$ 588,202	\$ -	\$ 6,397,135	9.19 %
12/31/2023	519,019	519,019	-	5,959,957	8.71 %
12/31/2022	451,591	451,591	-	5,522,384	8.18 %
12/31/2021	437,245	437,245	-	5,261,566	8.31 %
12/31/2020	436,068	436,068	-	5,279,330	8.26 %
12/31/2019	392,752	392,752	-	5,060,486	7.76 %
12/31/2018	383,305	383,305	-	4,845,143	7.91 %
12/31/2017	358,714	358,714	-	4,532,158	7.91 %
12/31/2016	324,889	324,889	-	4,408,090	7.37 %
12/31/2015	319,648	319,648	-	4,220,809	7.57 %

See notes to required supplementary information

City of New Richmond

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The City administrator may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds council action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$667,588. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

City of New Richmond

Notes to Required Supplementary Information
Year Ended December 31, 2024

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

SUPPLEMENTARY INFORMATION

City of New Richmond

Detailed Schedule of Revenues - Budget and Actual -
 General Fund
 Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Taxes				
General property taxes	\$ 5,280,712	\$ 5,280,712	\$ 5,280,713	\$ 1
Mobile home taxes	4,000	4,000	3,127	(873)
Motel tax	130,000	130,000	153,969	23,969
In lieu of tax	89,435	89,435	99,355	9,920
General sales tax	15	15	35	20
Interest on taxes	150	150	1,546	1,396
	<u>5,504,312</u>	<u>5,504,312</u>	<u>5,538,745</u>	<u>34,433</u>
Total taxes				
Intergovernmental				
Federal aid, law enforcement	-	39,961	9,962	(29,999)
Federal aid, CARES Act	-	-	30,000	30,000
State shared revenues	776,531	776,531	796,789	20,258
State aid, exempt computer aid	14,703	14,703	14,704	1
State aid, personal property aid	21,110	21,110	36,680	15,570
State aid, video services aid	8,525	8,525	8,524	(1)
State aid, police training	2,500	2,500	9,106	6,606
State aid, general transportation aids	588,240	588,240	540,616	(47,624)
State aid, streets	58,371	58,371	83,052	24,681
State aid, other transportation	-	173,969	173,969	-
State aid, other	9,162	9,162	20,669	11,507
Grants from local governments	-	-	9,362	9,362
Fire dues for training	43,000	59,780	59,784	4
County aid, libraries	395,479	395,479	395,480	1
County aid, transportation	-	8,500	8,500	-
Other	20,000	33,000	36,721	3,721
	<u>1,937,621</u>	<u>2,189,831</u>	<u>2,233,918</u>	<u>44,087</u>
Total intergovernmental				
Licenses and Permits				
Liquor and malt beverage licenses	20,000	20,000	17,345	(2,655)
Business and cigarette licenses	8,400	8,400	10,049	1,649
Dog and cat licenses	1,250	1,250	3,470	2,220
Building permits	210,000	244,173	401,924	157,751
Cable television franchise fees	40,000	40,000	24,036	(15,964)
Other permits	3,200	3,200	4,352	1,152
	<u>282,850</u>	<u>317,023</u>	<u>461,176</u>	<u>144,153</u>
Total licenses and permits				
Fines, Forfeitures and Penalties				
Court penalties and costs	150,000	150,000	133,118	(16,882)
Parking violations	10,000	10,000	9,540	(460)
Miscellaneous other	-	-	5,665	5,665
	<u>160,000</u>	<u>160,000</u>	<u>148,323</u>	<u>(11,677)</u>
Total fines, forfeitures and penalties				

City of New Richmond

Detailed Schedule of Revenues - Budget and Actual -
General Fund
Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public Charges for Services				
General government	\$ 2,500	\$ 2,500	\$ 20,020	\$ 17,520
Clerk's fees	15,000	15,000	10,092	(4,908)
Police department	64,547	64,547	71,791	7,244
Street department	13,000	28,000	196,669	168,669
Airport	122,500	122,500	132,358	9,858
Library	3,000	3,000	11,683	8,683
Parks	3,000	3,000	4,920	1,920
Other	29,400	29,400	47,222	17,822
Total public charges for services	<u>252,947</u>	<u>267,947</u>	<u>494,755</u>	<u>226,808</u>
Special Assessments				
Sewer mains and laterals	889	889	-	(889)
Sidewalk	2,329	2,329	744	(1,585)
Total special assessments	<u>3,218</u>	<u>3,218</u>	<u>744</u>	<u>(2,474)</u>
Investment Income				
Interest on investments	70,000	157,465	472,789	315,324
Interest on special assessments	45	45	355	310
Interest on advances	12,000	12,000	3,657	(8,343)
Total investment income	<u>82,045</u>	<u>169,510</u>	<u>476,801</u>	<u>307,291</u>
Miscellaneous				
Rent of municipal property	132,010	132,010	126,769	(5,241)
Insurance recoveries and dividends	10,000	67,907	60,429	(7,478)
Donations	-	9,480	21,780	12,300
Other miscellaneous	24,000	24,000	42,858	18,858
Total miscellaneous	<u>166,010</u>	<u>233,397</u>	<u>251,836</u>	<u>18,439</u>
Total revenues	<u>\$ 8,389,003</u>	<u>\$ 8,845,238</u>	<u>\$ 9,606,298</u>	<u>\$ 761,060</u>

City of New Richmond

Detailed Schedule of Expenditures - Budget and Actual -

General Fund

Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Government				
Council	\$ 84,231	\$ 89,143	\$ 88,764	\$ 379
Municipal court	172,945	194,660	194,658	2
City attorney	83,000	83,000	97,165	(14,165)
Administrator	97,486	97,486	96,181	1,305
Clerk, treasurer	80,865	80,865	97,609	(16,744)
City administrative secretary	62,216	62,216	56,980	5,236
Elections	15,640	15,640	18,629	(2,989)
Data processing	78,756	78,756	76,467	2,289
Internal accounting	24,553	24,553	24,197	356
Independent auditing	41,200	41,200	57,737	(16,537)
Treasury	52,989	52,989	67,872	(14,883)
Assessor/building inspector	285,233	306,938	332,989	(26,051)
Board of review	700	700	349	351
Mapping	13,712	13,712	14,401	(689)
Civic center	137,194	137,194	131,849	5,345
Illegal taxes and refunds	-	-	9,254	(9,254)
Property and liability insurance	98,000	98,000	113,096	(15,096)
Workers' compensation	67,000	67,000	69,483	(2,483)
COVID-19	28,500	28,500	-	28,500
Miscellaneous	78,310	78,315	3,192	75,123
Total general government	1,502,530	1,550,867	1,550,872	(5)
Public Safety				
Police	3,455,172	3,505,028	3,375,318	129,710
Ambulance	121,700	121,700	121,699	1
Inspection	4,800	4,800	5,250	(450)
Emergency government	27,277	27,277	17,239	10,038
Other public safety	4,335	4,335	125	4,210
Total public safety	3,613,284	3,663,140	3,519,631	143,509
Public Works				
Street superintendent	59,294	59,294	55,844	3,450
Street shop	37,600	37,600	40,427	(2,827)
Machinery and equipment	42,900	42,900	55,003	(12,103)
Street maintenance	733,403	749,502	679,773	69,729
Traffic control	43,000	60,946	110,132	(49,186)
Snow and ice control	80,000	80,000	97,001	(17,001)
Street lighting	235,000	235,000	234,869	131
Sidewalks	39,977	39,977	4,406	35,571
Airport	225,428	255,428	198,654	56,774
Shared ride, taxi	10,000	201,739	201,738	1
Landfill	17,500	17,500	19,828	(2,328)
Weed control	-	-	20,158	(20,158)
Forestry	40,150	77,150	101,035	(23,885)
Total public works	1,564,252	1,857,036	1,818,868	38,168

City of New Richmond

Detailed Schedule of Expenditures - Budget and Actual -
 General Fund
 Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health and Human Services				
Health officer	\$ 200	\$ 200	\$ -	\$ 200
Animal shelter	7,200	7,200	2,444	4,756
Total health and human services	7,400	7,400	2,444	4,956
Leisure Activities				
Library	955,585	964,031	889,778	74,253
Other culture	109,635	174,990	157,438	17,552
Cable television	16,000	16,000	13,669	2,331
Parks	536,809	552,809	479,995	72,814
Recreation center	7,300	7,300	7,535	(235)
Sports center	17,000	17,000	30,074	(13,074)
Total leisure activities	1,642,329	1,732,130	1,578,489	153,641
Conservation and Development				
Planning	72,069	72,068	69,427	2,641
Economic development	230,454	230,454	175,824	54,630
Total conservation and development	302,523	302,522	245,251	57,271
Capital Outlay				
Law enforcement	-	-	12,600	(12,600)
Highway and street	-	-	5,800	(5,800)
Airport	-	13,000	45,202	(32,202)
Total capital outlay	-	13,000	63,602	(50,602)
Total expenditures	<u>\$ 8,632,318</u>	<u>\$ 9,126,095</u>	<u>\$ 8,779,157</u>	<u>\$ 346,938</u>

City of New Richmond

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds				
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility	CDBG Revolving Housing	Impact Fees
Assets					
Cash and investments	\$ 213,581	\$ 944,860	\$ 357,832	\$ 14,416	\$ -
Restricted cash and investments	-	-	330,212	-	2,356,906
Receivables (net):					
Taxes	-	-	-	-	-
Accounts	2,685	-	-	-	-
Notes	-	-	-	215,128	-
Due from other funds	-	-	61,907	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 216,266</u>	<u>\$ 944,860</u>	<u>\$ 749,951</u>	<u>\$ 229,544</u>	<u>\$ 2,356,906</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 215	\$ -	\$ 23,465	\$ 53	\$ 11,510
Accrued liabilities	500	-	2,079	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	<u>715</u>	<u>-</u>	<u>25,544</u>	<u>53</u>	<u>11,510</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	3,269	-	-	215,128	-
Total deferred inflows of resources	<u>3,269</u>	<u>-</u>	<u>-</u>	<u>215,128</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	212,282	944,860	330,212	14,363	2,345,396
Committed	-	-	394,195	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>212,282</u>	<u>944,860</u>	<u>724,407</u>	<u>14,363</u>	<u>2,345,396</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 216,266</u>	<u>\$ 944,860</u>	<u>\$ 749,951</u>	<u>\$ 229,544</u>	<u>\$ 2,356,906</u>

Special Revenue Funds				Capital Project Funds		
Cemetery	Recycling, Compost and Yard Waste	Fire Services	ARPA Funds	Affordable Housing	Landfill Assurance	TIF District #6
\$ 38,609	\$ 96,744	\$ -	\$ 43,020	\$ 1,421,357	\$ 50,010	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	31,504	-	-	-	-
-	-	-	-	-	-	-
-	65,012	-	-	-	-	-
-	-	2,072	-	-	-	-
<u>\$ 38,609</u>	<u>\$ 161,756</u>	<u>\$ 33,576</u>	<u>\$ 43,020</u>	<u>\$ 1,421,357</u>	<u>\$ 50,010</u>	<u>\$ -</u>
\$ 388	\$ 23,115	\$ 8,513	\$ -	\$ -	\$ 14,457	\$ -
-	-	17,553	-	-	-	-
-	-	15,251	-	-	-	-
-	-	-	-	-	-	-
-	-	-	25,827	-	-	-
-	-	14,325	-	-	-	-
<u>388</u>	<u>23,115</u>	<u>55,642</u>	<u>25,827</u>	<u>-</u>	<u>14,457</u>	<u>-</u>
-	-	-	-	-	36,539	-
-	-	-	-	-	-	-
-	-	-	-	-	36,539	-
38,221	-	-	-	-	-	-
-	-	-	-	1,421,357	-	-
-	138,641	-	-	-	-	-
-	-	-	17,193	-	-	-
-	-	(22,066)	-	-	(986)	-
<u>38,221</u>	<u>138,641</u>	<u>(22,066)</u>	<u>17,193</u>	<u>1,421,357</u>	<u>(986)</u>	<u>-</u>
<u>\$ 38,609</u>	<u>\$ 161,756</u>	<u>\$ 33,576</u>	<u>\$ 43,020</u>	<u>\$ 1,421,357</u>	<u>\$ 50,010</u>	<u>\$ -</u>

City of New Richmond

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2024

	Capital Project Funds				
	TIF District #7	TIF District #9	TIF District #10	TIF District #11	TIF District #12
Assets					
Cash and investments	\$ 69,950	\$ 115,371	\$ 112,694	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-
Receivables (net):					
Taxes	141,805	115,973	148,579	71,986	-
Accounts	-	-	-	-	-
Notes	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 211,755</u>	<u>\$ 231,344</u>	<u>\$ 261,273</u>	<u>\$ 71,986</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	99,782	-	-
Advances from other funds	-	-	-	156,013	25,934
Unearned revenues	-	-	-	-	-
Deposits	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>99,782</u>	<u>156,013</u>	<u>25,934</u>
Deferred Inflows of Resources					
Unearned revenues	141,805	115,973	148,579	71,986	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>141,805</u>	<u>115,973</u>	<u>148,579</u>	<u>71,986</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	69,950	115,371	12,912	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	(156,013)	(25,934)
Total fund balances (deficit)	<u>69,950</u>	<u>115,371</u>	<u>12,912</u>	<u>(156,013)</u>	<u>(25,934)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 211,755</u>	<u>\$ 231,344</u>	<u>\$ 261,273</u>	<u>\$ 71,986</u>	<u>\$ -</u>

Capital Project Funds			
Capital Replacement Fund		Total Nonmajor Governmental Funds	
\$ 391,729		\$ 3,870,173	
406,832		3,093,950	
150,000		628,343	
-		34,189	
-		215,128	
-		126,919	
-		2,072	
<u>\$ 948,561</u>		<u>\$ 7,970,774</u>	

\$ -		\$ 81,716	
-		20,132	
-		115,033	
-		181,947	
-		25,827	
-		14,325	
-		<u>438,980</u>	

150,000		664,882	
-		<u>218,397</u>	
<u>150,000</u>		<u>883,279</u>	

-		38,221	
406,832		5,873,535	
391,729		924,565	
-		17,193	
-		<u>(204,999)</u>	
<u>798,561</u>		<u>6,648,515</u>	

<u>\$ 948,561</u>		<u>\$ 7,970,774</u>	
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City of New Richmond

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2024

	Special Revenue Funds			
	Park Land Trust Fund	Library Trust Fund	Storm Water Utility	CDBG Revolving Housing
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Public charges for services	67,835	25,493	351,335	-
Intergovernmental charges for services	-	-	-	-
Investment income	11,263	23,091	7,556	518
Miscellaneous	32,683	551,860	2,786	6,290
	<u>111,781</u>	<u>600,444</u>	<u>361,677</u>	<u>6,808</u>
Total revenues				
	<u>111,781</u>	<u>600,444</u>	<u>361,677</u>	<u>6,808</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	217,078	-
Health and human services	-	-	-	-
Leisure activities	37,797	-	-	-
Conservation and development	-	-	-	1,256
Capital outlay	114,718	-	129,203	-
Debt service:				
Interest and fiscal charges	-	-	13,955	-
	<u>152,515</u>	<u>-</u>	<u>360,236</u>	<u>1,256</u>
Total expenditures				
	<u>152,515</u>	<u>-</u>	<u>360,236</u>	<u>1,256</u>
Excess (deficiency) of revenues over expenditures	<u>(40,734)</u>	<u>600,444</u>	<u>1,441</u>	<u>5,552</u>
Other Financing Sources (Uses)				
Debt issued	-	-	455,000	-
Premium on debt issued	-	-	40,997	-
Transfers in	-	-	-	-
Transfers out	-	-	(166,452)	-
	<u>-</u>	<u>-</u>	<u>329,545</u>	<u>-</u>
Total other financing sources (uses)				
	<u>-</u>	<u>-</u>	<u>329,545</u>	<u>-</u>
Net change in fund balances	(40,734)	600,444	330,986	5,552
Fund Balances (Deficit), Beginning	<u>253,016</u>	<u>344,416</u>	<u>393,421</u>	<u>8,811</u>
Fund Balances (Deficit), Ending	<u>\$ 212,282</u>	<u>\$ 944,860</u>	<u>\$ 724,407</u>	<u>\$ 14,363</u>

Special Revenue Funds

<u>Impact Fees</u>	<u>Cemetery</u>	<u>Recycling, Compost and Yard Waste</u>	<u>Fire Services</u>	<u>ARPA Funds</u>	<u>Affordable Housing</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	4,716	32,000	-
-	16,725	344,452	-	-	-
-	-	-	207,198	-	-
120,630	1,786	525	1,616	2,207	-
603,687	-	-	57,043	-	807,866
<u>724,317</u>	<u>18,511</u>	<u>344,977</u>	<u>270,573</u>	<u>34,207</u>	<u>807,866</u>
-	-	-	514,243	-	-
-	-	307,133	-	-	-
-	23,766	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
773,992	-	-	41,999	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>773,992</u>	<u>23,766</u>	<u>307,133</u>	<u>556,242</u>	<u>-</u>	<u>-</u>
<u>(49,675)</u>	<u>(5,255)</u>	<u>37,844</u>	<u>(285,669)</u>	<u>34,207</u>	<u>807,866</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	276,021	-	613,491
-	-	-	-	(32,000)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>276,021</u>	<u>(32,000)</u>	<u>613,491</u>
(49,675)	(5,255)	37,844	(9,648)	2,207	1,421,357
<u>2,395,071</u>	<u>43,476</u>	<u>100,797</u>	<u>(12,418)</u>	<u>14,986</u>	<u>-</u>
<u>\$ 2,345,396</u>	<u>\$ 38,221</u>	<u>\$ 138,641</u>	<u>\$ (22,066)</u>	<u>\$ 17,193</u>	<u>\$ 1,421,357</u>

City of New Richmond

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Year Ended December 31, 2024

	Capital Projects Funds			
	Landfill Assurance	TIF District #6	TIF District #7	TIF District #9
Revenues				
Taxes	\$ -	\$ 613,491	\$ 190,976	\$ 129,127
Intergovernmental	-	20,669	2,141	8,788
Public charges for services	-	10,000	-	-
Intergovernmental charges for services	-	-	-	-
Investment income	1,722	-	-	-
Miscellaneous	71,209	-	-	-
Total revenues	72,931	644,160	193,117	137,915
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	86,685	-	-	-
Health and human services	-	-	-	-
Leisure activities	-	-	-	-
Conservation and development	-	259,758	6,097	554,743
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	86,685	259,758	6,097	554,743
Excess (deficiency) of revenues over expenditures	(13,754)	384,402	187,020	(416,828)
Other Financing Sources (Uses)				
Debt issued	-	-	-	498,353
Premium on debt issued	-	-	-	-
Transfers in	15,321	-	-	-
Transfers out	-	(727,091)	(150,000)	-
Total other financing sources (uses)	15,321	(727,091)	(150,000)	498,353
Net change in fund balances	1,567	(342,689)	37,020	81,525
Fund Balances (Deficit), Beginning	(2,553)	342,689	32,930	33,846
Fund Balances (Deficit), Ending	\$ (986)	\$ -	\$ 69,950	\$ 115,371

Capital Project Funds				
TIF District #10	TIF District #11	TIF District #12	Capital Replacement Fund	Total Nonmajor Governmental Funds
\$ 141,822	\$ 25,543	\$ -	\$ 150,000	\$ 1,250,959
1,648	-	-	-	69,962
-	-	-	-	815,840
-	-	-	-	207,198
-	-	-	10,948	181,862
-	-	-	-	2,133,424
<u>143,470</u>	<u>25,543</u>	<u>-</u>	<u>160,948</u>	<u>4,659,245</u>
-	-	-	-	514,243
-	-	-	-	610,896
-	-	-	-	23,766
-	-	-	-	37,797
1,979	159,484	25,934	-	1,009,251
-	-	-	313,213	1,373,125
<u>6,000</u>	<u>3,657</u>	<u>-</u>	<u>24,367</u>	<u>47,979</u>
<u>7,979</u>	<u>163,141</u>	<u>25,934</u>	<u>337,580</u>	<u>3,617,057</u>
<u>135,491</u>	<u>(137,598)</u>	<u>(25,934)</u>	<u>(176,632)</u>	<u>1,042,188</u>
-	-	-	1,080,000	2,033,353
-	-	-	106,182	147,179
-	150,000	-	-	1,054,833
<u>(59,418)</u>	<u>-</u>	<u>-</u>	<u>(492,991)</u>	<u>(1,627,952)</u>
<u>(59,418)</u>	<u>150,000</u>	<u>-</u>	<u>693,191</u>	<u>1,607,413</u>
76,073	12,402	(25,934)	516,559	2,649,601
<u>(63,161)</u>	<u>(168,415)</u>	<u>-</u>	<u>282,002</u>	<u>3,998,914</u>
<u>\$ 12,912</u>	<u>\$ (156,013)</u>	<u>\$ (25,934)</u>	<u>\$ 798,561</u>	<u>\$ 6,648,515</u>

City of New Richmond

Statement of Cash Flows -
Component Unit
Year Ended December 31, 2024

	<u>CDA</u>
Cash Flows From Operating Activities	
Paid to suppliers for goods and services	\$ (793,904)
Net cash flows from operating activities	<u>(793,904)</u>
Cash Flows From Noncapital Financing Activities	
Contributions from City	150,000
Advances repaid	<u>(150,000)</u>
Net change in cash and cash equivalents	(793,904)
Cash and Cash Equivalents, Beginning	<u>932,831</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 138,927</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities	
Operating income (loss)	\$ (807,866)
Changes in assets and liabilities:	
Other receivables	<u>13,962</u>
Net cash flows from operating activities	<u><u>\$ (793,904)</u></u>
Noncash Capital and Related Financing Activities	
None	

City of New Richmond

Rate of Return - Regulatory Basis

December 31, 2024

	<u>Electric Utility</u>	<u>Water Utility</u>
Utility Financed Plant in Service		
Beginning of year	\$ 16,172,919	\$ 11,522,966
End of year	<u>16,514,281</u>	<u>11,841,277</u>
Average	<u>16,343,600</u>	<u>11,682,122</u>
Utility Financed Accumulated Depreciation		
Beginning of year	(11,968,333)	(4,586,841)
End of year	<u>(12,662,052)</u>	<u>(5,266,159)</u>
Average	<u>(12,315,193)</u>	<u>(4,926,500)</u>
Materials and Supplies		
Beginning of year	749,621	10,757
End of year	<u>605,156</u>	<u>13,622</u>
Average	<u>677,389</u>	<u>12,190</u>
Regulatory Liability		
Beginning of year	-	-
End of year	<u>-</u>	<u>-</u>
Average	<u>-</u>	<u>-</u>
Average net rate base	<u>\$ 4,705,796</u>	<u>\$ 6,767,811</u>
Operating income, regulatory basis	<u>\$ 139,660</u>	<u>\$ 558,459</u>
Rate of return (percent)	<u>2.97 %</u>	<u>8.25 %</u>

This schedule is computed based on Public Service Commission of Wisconsin regulatory accounting which differs from accounting principles generally accepted in the United States of America.

FORM OF LEGAL OPINION

(See following pages)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

June 29, 2026

Re: City of New Richmond, Wisconsin ("Issuer")
\$7,790,000 General Obligation Promissory Notes, Series 2026A,
dated June 29, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on the dates and principal amounts as follows:

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
12/01/2027	\$165,000	___%
12/01/2028	295,000	___
12/01/2029	305,000	___
12/01/2030	320,000	___
12/01/2031	330,000	___
12/01/2032	345,000	___
12/01/2033	355,000	___
12/01/2034	365,000	___
12/01/2035	375,000	___
12/01/2036	390,000	___
12/01/2037	405,000	___
12/01/2038	415,000	___
12/01/2039	440,000	___
12/01/2040	460,000	___
12/01/2041	470,000	___
12/01/2042	455,000	___
12/01/2043	475,000	___
12/01/2044	495,000	___
12/01/2045	515,000	___
06/01/2046	415,000	___

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2027.

The Notes maturing on December 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2034 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights

and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Richmond, St. Croix County, Wisconsin (the "Issuer") in connection with the issuance of \$7,790,000 General Obligation Promissory Notes, Series 2026A, dated June 29, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on June 8, 2026 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated June 8, 2026 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of New Richmond, St. Croix County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Assistant City Administrator/Finance Director of the Issuer who can be contacted at 156 East First Street, New Richmond, Wisconsin 54017, phone (715) 246-4268, fax (715) 246-7129.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2025, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - DIRECT DEBT
2. DEBT - DEBT LIMIT
3. VALUATIONS - CURRENT PROPERTY VALUATIONS
4. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 29th day of June, 2026.

(SEAL)

Peter Vrieze
Mayor

Michelle Scanlan
City Clerk

NOTICE OF SALE

**\$7,790,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
CITY OF NEW RICHMOND, WISCONSIN**

Bids for the purchase of \$7,790,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of New Richmond, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M., Central Time, on June 8, 2026, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of water system and sewer system improvements, downtown street lighting projects, the acquisition of a fire truck and refunding certain outstanding obligations of the City. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated June 29, 2026, will be issued as fully registered Notes in the denomination of \$5,000 each, or any integral multiple thereof, and will mature as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
12/01/2027	\$165,000	12/01/2034	\$365,000	12/01/2041	\$470,000
12/01/2028	295,000	12/01/2035	375,000	12/01/2042	455,000
12/01/2029	305,000	12/01/2036	390,000	12/01/2043	475,000
12/01/2030	320,000	12/01/2037	405,000	12/01/2044	495,000
12/01/2031	330,000	12/01/2038	415,000	12/01/2045	515,000
12/01/2032	345,000	12/01/2039	440,000	06/01/2046	415,000
12/01/2033	355,000	12/01/2040	460,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on December 1 and June 1 of each year, commencing June 1, 2027, to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Notes will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Notes. So long as Cede & Co. is the registered owner of the Notes, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Notes.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Minneapolis, Minnesota ("BTSC"), to act as paying agent (the "Paying Agent"). BTSC and Ehlers are affiliate companies. The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after December 1, 2035 shall be subject to optional redemption prior to maturity on December 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about June 29, 2026, the Notes will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding). (See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Notes. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$7,692,625 plus accrued interest on the principal sum of \$7,790,000 from date of original issue of the Notes to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact IHS Markit (now part of S&P Global) at <https://ihsmarkit.com/products/municipal-issuance.html> or via telephone (844) 301-7334.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$155,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned

thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Notes will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Notes are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Notes from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Notes shall be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriter (Syndicate Manager) in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Notes. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Notes and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the

reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Notes may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Notes, that the underwriters will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (Syndicate Manager) will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Michelle Scanlan, City Clerk
City of New Richmond, Wisconsin

BID FORM

The Common Council
City of New Richmond, Wisconsin (the "City")

June 8, 2026

RE: **\$7,790,000* General Obligation Promissory Notes, Series 2026A (the "Notes")**
DATED: **June 29, 2026**

For all or none of the above Notes, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$7,692,625) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____ % due	12/01/2027	_____ % due	12/01/2034	_____ % due	12/01/2041
_____ % due	12/01/2028	_____ % due	12/01/2035	_____ % due	12/01/2042
_____ % due	12/01/2029	_____ % due	12/01/2036	_____ % due	12/01/2043
_____ % due	12/01/2030	_____ % due	12/01/2037	_____ % due	12/01/2044
_____ % due	12/01/2031	_____ % due	12/01/2038	_____ % due	12/01/2045
_____ % due	12/01/2032	_____ % due	12/01/2039	_____ % due	06/01/2046
_____ % due	12/01/2033	_____ % due	12/01/2040		

The City reserves the right to increase or decrease the principal amount of the Notes on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Notes of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$155,800 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Notes to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Notes to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Notes to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about June 29, 2026.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Notes.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. YES: ___ NO: ___.

If the competitive sale requirements are not met, we elect to use either the: ___ 10% test, or the ___ hold-the-offering-price rule to determine the issue price of the Notes.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from June 29, 2026 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of New Richmond, Wisconsin, on June 8, 2026.

By: _____ By: _____
Title: _____ Title: _____